



Daily Report

Latin America

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Central America Not To Discuss NAFTA in Miami

PA1111165094 Panama City ACAN in Spanish 2150
GMT 10 Nov 94

[FBIS Translated Text] San Jose, 10 Nov (ACAN-EFE)—Costa Rican President Jose Maria Figueres ruled out today that "very concrete" agreements will result from the Summit of the Americas, which will take place in Miami (United States) on 10 and 11 December. However, the summit will provide a "framework" for future relations on the continent.

Although Figueres ruled out that the possible admission of Central America into NAFTA will be discussed, he emphasized that Central America will bring up the loss of advantages vis-a-vis Mexico following the implementation of NAFTA.

"For the sake of the democratic change being pursued in Central America, we need a stronger economy and therefore, we need more trade," Figueres stated in a meeting with the foreign press accredited in San Jose.

Arguing that it has already been suggested to U.S. Vice President Al Gore and other authorities and organizations of this nation, Figueres ruled out any mention of a "special membership" for Central America in NAFTA—the trade agreement signed by the United States with Mexico and Canada—at the summit.

He did express, however, his discontent over the repercussions of the Interim Trade Program (PIC) proposed by Gore and which is expected to be approved by the U.S. Congress next year.

This program will allow the import of textiles into the United States duty free. Textiles are among those items that were not included in the long list of products benefitted by the Caribbean Basin Initiative (CBI).

"We must go beyond this program with a special membership in NAFTA," Figueres stated. He reiterated, however, that this specific topic will not be discussed at the summit, which was convened by U.S. President Bill Clinton.

However, Jose Rossi, Costa Rican minister of foreign commerce, noted today that it is "very difficult" for Central America to join NAFTA with a "special membership" as has been proposed to U.S. authorities.

Rossi believes NAFTA "does not provide" any mechanisms for other countries to join under special conditions, and this can only be done through negotiations, as is currently being done by Chile.

"Conditions for admission into NAFTA are the normal ones," Rossi said, which—he added—"implies that (the admission) should be submitted for approval by the congresses of the three countries" that signed the treaty.

According to President Figueres, the summit is a "timely opportunity" to better outline the way in which the United States and Latin America will relate.

The ministers of economy and foreign trade of Latin America and the Caribbean will meet on 21 and 22 November—probably in Miami—to draft the agenda for the summit.

According to Rossi, an institutional commission of the U.S. Government will draft the agenda for the meeting of the presidents based on the proposals presented by the Caribbean and Latin American officials. The agenda for the presidential meeting will revolve around "very general topics."

In this summit, the presidents of this continent will analyze issues related to governability, trade, respect for human rights, and relations between the United States and Latin America and the Caribbean, among others.

Dominican Official Proposes Regional Bloc With Cuba

PA1311163894 Madrid EFE in Spanish 1932 GMT
12 Nov 94

[FBIS Translated Text] Santo Domingo, 12 Nov (EFE)—Dominican Vice President Jacinto Peynado said today there is a regional movement that awaits the lifting of the U.S. embargo on Cuba to form a commercial bloc with Jamaica, Haiti, and the Dominican Republic.

Peynado pointed out that the economic integration of the four Caribbean nations was proposed to the Jamaican Government, which based the creation of this bloc on political normalization in Cuba.

Peynado believes Dominican Republic must broaden its commercial and economic relations with other nations in the area.

According to Peynado, the Jamaican Government not only seeks the creation of a bloc, but also that the two nations present a common program at the "Summit of the Americas," which will be held in Miami (USA) next month.

Last week, Peynado led a delegation of officials and private investors through the smaller islands of the Caribbean in search of commercial relations.

Following the return of Haitian President Jean-Bertrand Aristide to Haiti on 15 October, the Dominican Government and private sector have engaged in efforts to achieve the economic integration of the two nations that share Hispaniola Island.

The government and the private sector have expressed the possibility that the economic integration of the two nations will facilitate their admission into NAFTA.

Cuba**Deputy Minister Views U.S. Policy After Elections***PA1111025294 Mexico City NOTIMEX in Spanish
0110 GMT 11 Nov 94*

[FBIS Translated Text] Havana, 10 Nov (NOTIMEX)—Cuba today ruled out a change in U.S. policy toward Latin America as a result of the defeat of the President Bill Clinton's Democratic Party in Tuesday's [8 November] midterm elections.

"At this stage of the Clinton administration, I think it is difficult to draw up a new policy toward Latin America, because this region is not on the list of priorities for the United States," Deputy Foreign Minister Jorge Bolanos told NOTIMEX.

The lack of importance given to Latin America is reflected in the noncompliance of all measures that Clinton promised would benefit the region following the approval of NAFTA, which was signed with Mexico and Canada, the official asserted.

In Tuesday's state and legislative elections, the Democrats lost their majority in both houses of Congress for the first time since 1954, and now, more than half of the states in the country will be governed by Republicans.

According to Bolanos, Washington "has been for a long time lacked any policy toward Latin America, and when Latin American policy has existed, it has been under Democratic and not Republican administrations."

In another official reaction, the daily GRANMA indicated in a commentary that following the legislative elections in the United States, there will be a more conservative Congress which "will be reflected not only in domestic policy, but also in U.S. foreign policy." The Republican victory "seems to imply a conservative impulse in the political, economic, and social life of the United States," the newspaper stated. This is a personal setback for Clinton and presents before the country and the world "questions and concerns that time will affirm or deny," the paper concluded.

Article Assesses Election Results*PA1311205094 Havana PRENSA LATINA in Spanish
1039 GMT 12 Nov 94*

["Exclusive" article by Martin Hachoun: "United States: Now the Majority in Congress, Republicans are Getting their Cannons Ready"]

[FBIS Translated Text] After their recent electoral victory, which gave them total control over the U.S. Congress, for the first time in 40 years, Republicans are already maneuvering to carry forward their conservative agenda, effective 3 January, when the new session of congress begins.

On 8 November, the "Grand Old Party" (GOP) [preceding words in English] got hold of 53 Senate seats, while the Democrats won 47. Although four seats are still undetermined, the GOP obtained a comfortable majority of 229 against 204 at the House of Representatives.

In what is seen as the biggest change in the U.S. political scene in four decades, the GOP won the governorships in 31 states, 13 more than the Democrats, and made advancements in state congresses.

The most significant aspect of this sweeping victory is the fact that when the 500th Congress is installed in January, the Republicans will chair all the committees and subcommittees in the Capitol, will control the legislative agenda, and will even decide which bills will be voted on.

From that position, they will be able to promote their conservative program, the so-called and well-manipulated Contract With America, which proclaims the return to high consumption, excessive defense spending, and a flexible fiscal policy, which caused the huge federal deficit and an unprecedented public debt under the Reagan and Bush administrations, which are still affecting the United States.

The GOP platform also promises greater deregulation and less government intervention, elimination of budget allocations for social and public welfare programs. In the economic field, it emphasizes the neoliberal policy, inside and outside the United States.

In foreign policy, although the Republicans are more inclined to free trade, their dominance over the Capitol creates doubts about the tone of those relations, particularly with their Latin American neighbors.

It is also expected that some of the most ultraconservative congressmen who will occupy prominent positions, such as Senator Jesse Helms, who will probably head the Senate's important Foreign Relations Committee, will promote an even harder line against Cuba.

The Republican control will limit President Clinton's capacity to direct the nation from the White House and will lead him—as he already admitted—to adopt a more centrist policy in the two years that are left before the 1996 presidential elections.

If while having the minority the GOP managed to frustrate many of the President's legislative initiatives, including the ambitious health reforms and the popular anti-lobbying bill, postponed until 1995, now with a majority it will make things more difficult for Clinton, who is being bombarded from all sides.

At a news conference the day after the elections, President Clinton adopted a conciliatory tone and promised to cooperate with the new congressional leaders.

In that regard, Robert Dole, the next Senate majority leader, said that "perhaps we could work together in

some projects, when possible." Those, however, are not the intentions of Newt Gingrich, the future speaker of the House of Representatives, for whom the White House is in the hands of "a group of leftist elitists."

Both leaders outlined legislative goals on which they could work with Clinton, which were his initiative, such as public health reforms and the social welfare program, the line-item veto, and possible steps toward reducing taxes paid by the middle class.

Nevertheless, the atmosphere between the Capitol and the White House will be extremely tense during the next two years.

Gingrich is already maneuvering and has convened his conservative brain trust, including Representatives Richard Armitage and Tom Delay of Texas, Robert Walker of Pennsylvania, and John Kasich of Ohio.

According to his advisers, they are drafting a plan to control operations at Capitol Hill, including a drastic reduction of committee personnel and the appointment of Republican employees at the Budget Office, the General Accounting Office, as well as the office of the administrator and supervisor of the congress.

The Republicans will also open the doors of Capitol Hill to the ideologies of the Christian right and Gingrich has already promised a vote in the House of Representatives before 4 July on a Constitutional amendment to make public school prayer official.

In addition to Helms, who will be in charge of the Foreign Relations Committee, among the many faces that will become chairmen of the various Senate committees, the name of 92-year old Senator Strom Thurmond, considered a militarist hawk, is being mentioned for the post of chairman of the Armed Services Committee, Mark Hatfield is being mentioned for the post at the Appropriations Committee, and Bob Packwood is being mentioned as next chairman of the Finance Committee.

The four veterans support the idea of cutting social expenditures and foreign aid and increasing military spending instead.

Difficulties lie ahead for Clinton in the appointment of ambassadors and other officials, as well as in any Cuban-related initiative with Helms, an admirer of former Chilean dictator Augusto Pinochet, supervising the country's foreign relations from the Senate.

The elderly legislator supports a toughening of the economic blockade on the neighboring island through the implementation of the Torricelli bill despite a UN resolution, which has been denouncing this hostile policy for three consecutive years.

This foursome, Helms, Thurmond, Hatfield, and Packwood, could create some uneasiness because of their viewpoints on Inter-American relations, especially Helms, who has made public, for example, his opposition to the Nicaraguan Government of Violeta Barrios.

Analysts fear that the conservative Contract With America could unleash an inflationary spiral and increase once again the fiscal deficit, which Clinton has been able to reduce considerably in addition to spurring the country's economic growth.

In general, GOP representatives are expected to prepare the groundwork for the defeat of the Democrats in the 1996 presidential elections and facilitate the arrival of a new era of conservatism in all areas of U.S. life.

Clinton Remark Termed 'Cold Water' on Summit

FL1211153494 Havana Radio Rebelde Network in Spanish 1255 GMT 12 Nov 94

[From the "Doing Radio" program]

[FBIS Translated Text] U.S. President Bill Clinton left on an Asian tour today to discuss trade opportunities. The tour is said to include Vietnam. Clinton has said that Asia currently takes economic precedence over Latin America. Latin American diplomats at the United Nations have described the statement as a bucket of cold water on the December summit that the United States has been promoting. They said that this suggests that the summit will fail even before it has begun.

Spokesman on U.S. Compliance With Migration Accord

PA1111022694 Havana Radio Havana Cuba in Spanish 0000 GMT 11 Nov 94

[Report by Barbara Bethancourt; from the "Evening Information Review" newscast—passages within quotation marks are recorded]

[FBIS Translated Text] Miguel Alfonso, Cuban Foreign Ministry spokesman, has discussed issues pertaining primarily to human rights in Cuba during his current meeting with domestic and international reporters on the occasion of the visit of Jose Ayala Lazo, the UN high commissioner for human rights, to the island next week.

[Alfonso] "He will arrive in Cuba on 15 November and will be with us until 19 November. A series of activities has been scheduled for his visit to Cuba, which we must discuss with him, of course, upon his arrival. This schedule is mutually agreed upon, but it has already been drawn up, based on the interests he has cited."

In this regard, Alfonso added the UN high commissioner for human rights will be totally free to visit and meet with whomever he wants. When questioned by the press, Alfonso explained why the UN high commissioner for human rights receives a different treatment in Cuba from the UN rapporteur imposed by the UN Human Rights Commission:

[Alfonso] "The case of the special rapporteur, Mr. (Cocks), is very clear for us; in other words, this process is one that was tainted from the very beginning. It is a process of political manipulation of such an important

aspect as human rights, according to the Cuban Government, and not only the Cuban Government but other parties; therefore, we did not allow any actions to validate this initial nullification of this process.

"The case of the UN high commissioner for human rights is a completely different process. As opposed to the special rapporteur for Cuba, a problem specifically directed at Cuba, the case of the UN high commissioner for human rights represents a consensus decision reached in the United Nations, in which Cuba participated. Above all and most importantly, this mechanism is one that is applicable to all countries. It is not a discriminatory mechanism against Cuba."

Alfonso recalled that Cuba invited a UN human rights mission in 1988 to visit the country to confirm the observance of human rights. He added the invitation to Ayala Lazo reaffirms Havana's willingness to establish greater cooperation with the United Nations in this regard.

During Ayala Lazo's visit, from 15 to 19 November, Cardinal (Roger Etchegaray), president of the Papal Council of Justice and Peace of the Vatican, will also visit the island. Cardinal (Etchegaray), who will make with this his third pastoral and work visit to Cuba, will officiate a mass in Havana on 16 October [date as heard], the feast of Saint Christopher, patron saint of Havana.

Miguel Alfonso also advanced the deputy foreign ministers of Norway, Hungary, and the Czech Republic will travel to Cuba in the next few weeks.

Meanwhile, the Foreign Ministry spokesman referred to the continuity of the talks on migration between the governments of Havana and Washington:

[Alfonso] "Those talks are still pending confirmation. They may be held at a relatively close date, either by the end of this year or early next year. The selection of January is subject to the approval of both parties, but the desire to continue these talks is very present and remains, regardless of events that may have recently taken place in the United States, specifically yesterday's elections."

In this regard, Alfonso was asked to comment on the compliance of the accord signed on 9 September in New York:

[Alfonso] "Cuba, for its part, is honored to have strictly fulfilled the provisions of the 9 September accord. The United States has not complied with this accord due to the stated reasons. They have said they lack personnel and need to make certain arrangements, but the world will not end tomorrow. We are confident the agreement was negotiated not to be broken. Agreements are negotiated to be fulfilled.

"Let us see what happens. [Words indistinct] some time passes. There will always be time to protest."

On this same note, Miguel Alfonso was also questioned on the delay in the orderly and diplomatic arrival of Cubans who have expressed their desire to return to their homes, who still remain in Guantanamo Naval Base or the camps in Panama:

[Alfonso] "The ultimate responsibility for the human rights situation that may exist in those concentration camps belongs to the authorities who made those decisions, who were not Cuban authorities. Cuba, in keeping with the 9 September accord, has pledged it will allow the return of those wishing to voluntarily return to their homes in Cuba, not to Cuba because they are in Cuba.

"What will happen? This is not an easy process. This is not an easy process, first due to the decisions judges are making in the United States. They have been banned from returning to Cuba, even after stating their desire to do so. This decision was not made by a Cuban judicial authority but, rather, by a Miami judge at the request of people who are using the situation of these rafters for political purposes. Cuba is not using the situation of these people for political purposes. Cuba is not interested in seeing the human rights and other rights of these people violated.

"We must point our finger in the direction of the ultimate and final responsibility for this situation. When the lists are presented, they are studied on a case by case basis. Why? Because each of them has a particular situation. There is a specific feeling of the social reception they may be awarded on returning to their society in Cuba; therefore, this situation is not a simple one. Foreign judicial authorities, U.S. politicians, and Cuban political decisions come into play here.

"What we want, as a state, is that regarding the decision we did not make, if they want to undo what they did, they must do so in an orderly and normal fashion, not through mined fields or similar things."

Article Views Impact of Migration Crisis on U.S. Policy

PA1411013094 Havana PRENSA LATINA in Spanish
1101 GMT 12 Nov 94

["Exclusive" article by Javier Rodriguez]

[FBIS Translated Text] Havana—Cuba and the United States are facing an unprecedented migration situation that is affecting all aspects of their traditionally tense bilateral relations following the most acute crisis created this past summer by a flow of illegal Cuban travelers to the United States.

Used for more than three decades as an important policy instrument for applying political pressure to Cuba, U.S. migration policy experienced a major turnaround due to the impact of the exodus, which became a serious problem for Washington.

Thus the method, quantity, and frequency of arrivals of the so-called rafters in territorial waters and on neighboring beaches forced the Washington administration to sit down at the negotiating table with Cuba.

The 8 September agreements in New York and the meetings held in Havana on 24 October to follow up on compliance with the agreements definitely show that progress has been made in the normalization of migration relations between the two nations.

Ricardo Alarcon, head of the Cuban delegation to the negotiations, said that this is actually the oldest problem between Washington and Havana, dating back to 1 January 1959 and the triumph of the Revolution.

The disorderly escape to the United States of the main political and repressive figures of the toppled dictatorship of Fulgencio Batista (1952-1959) and the warm welcome given them by U.S. authorities clearly reflected, according to Alarcon, the White House's intentions.

For Cuba, the welcome given to all those who traveled by irregular or violent means to a country that was clearly inciting the exodus through a powerful offensive over radio and other media has always been used as a weapon against the revolutionary process in the Caribbean nation.

This has no relationship to the historical nature of Cuban emigration to the United States, which also occurs in other underdeveloped countries in the region and even in other countries in more distant regions of the globe.

The political confrontation between the United States and Cuba led the former, also as part of its policy, to develop a propaganda campaign to magnify the emigration issue, as discussed by the Cuban legislature in recent public audiences on bilateral relations.

Official data of the U.S. Congress cited by Alarcon himself at those meetings indicate that the outflow of Cuban citizens to the United States is lower than that of 30 other countries, including many Latin American ones.

In Cuba's opinion, this reality contradicts the profuse propaganda spread by major broadcast media controlled from the United States which portray the Caribbean country as a divided nation in need of a reconciliation that is only possible through a renunciation of the political project initiated in 1959.

To the more impartial observers and to the international public, represented in this case by the views expressed by many countries, the migration agreement reached by Havana and Washington could be, aside from being a step in the right direction, a starting point for sounder relations. It is obvious, and the two sides have admitted as much, that the initial understanding did not resolve all problems related to this issue, which must be settled in order to tackle other aspects of the bilateral dispute.

First one must wait for compliance with the agreement, especially on the U.S. side, since Cuba promptly stemmed the illegal exodus through persuasion and by noting the virtues of the agreement.

Granting at least 20,000 visas annually and maintaining a joint effort with the Cuban Government to advance in the endeavor to normalize something that is normal among all countries of the world seems to be the essential contribution the White House must make.

Along those lines we find, as a consequence of previous U.S. policy and the events caused by it, thousands of Cubans detained on Guantanamo Naval Base, U.S. military installations in Panama, and even in the United States. The solution to this delicate matter, as Cuba outlined in the negotiations, can only be found through mutual agreement, regardless of the fact that the government that ordered the detentions bears responsibility for everything that happens in those places.

A sign of the seriousness of future incidents in those cases is implicit in recent charges by Cuba that a U.S. general has illogical plans to give several hundred people who wish to return to their homes an opportunity to escape through dangerous mined fields.

To avoid the danger of possible unilateral decisions on such a thorny matter, the migration agreement expresses the need for joint measures to resolve humanitarian or other kinds of problems caused by the holding of emigrants in places unsuitable for that purpose.

Another aspect established in the Assembly's public hearings was that Cuba shares no responsibility for situations that stem from the existence of improvised detention camps in such sensitive places.

The island believes that only one possibility exists for preventing crises such as the one that occurred last August from happening again: strict, firm, and serious compliance with the migration agreements.

As for the rest, the materialization of this option would also help make Cuban-U.S. bilateral relations in general different in the future.

Radio Reports U.S. Military Sentencing of Refugees

FL1011162994 Havana Radio Progreso Network in Spanish 1200 GMT 10 Nov 94

[From the "First Thing" program]

[FBIS Translated Text] U.S. military authorities have sentenced 21 of 32 illegal Cuban emigrants to prison sentences ranging from seven to 120 days. Two weeks ago these emigrants took part in riots at the camp where they were being held in the Panama Canal area.

Commentary Blames U.S. General for Escapes

PA1311214794 Havana PRENSA LATINA in Spanish 1806 GMT 13 Nov 94

[FBIS Translated Text] Havana, 13 Nov (PL)—The recent decision by a high-ranking U.S. official to facilitate

the escape of 728 Cuban rafters from Guantanamo Naval Base, made without regard for the danger to their lives, was denounced here today as a criminal action.

Joining the condemnation of this action expressed this week by GRANMA, the official organ of the Communist Party of Cuba, the weekly JUVENTUD REBELDE states that the incident is the work of sectors in the United States trying to thwart compliance with the immigration accord signed in September between that country and Cuba.

U.S. General Raymon Ayres recently spoke in favor of facilitating an "escape" so the 728 "unhappy" Cubans who wish to return to their homes could do so, giving little thought to the consequences of such a cold, dirty action that could result in the mutilation or death of those involved, the commentator of the Sunday publication noted.

Guantanamo Naval Base is located in the southern part of the eastern province of the same name. According to Army General Raul Castro, Cuban minister of the Armed Forces, that border area is the most densely mined area in Latin America.

The statements by Gen. Ayres, made previously to a foreign news agency, go beyond mere chance or an act of individual irresponsibility, JUVENTUD REBELDE asserts.

The report notes that a few weeks ago, "a group of ruthless attorneys" and "a Neanderthal judge" in Miami tried to keep the administration of President William Clinton from approving the voluntary return of Cubans who emigrated illegally to the United States last August and September and who were confined on the military installation.

Cuba, the publication states, does not mistake Gen. Ayres for the U.S. Government, much less for the people of the United States.

The fact is that this military officer first, then the government he represents, are responsible for the safety of the Cubans who are on the Naval Base, it adds.

Another commentary entitled "Blind Eye and Deaf Ear" by the same weekly criticizes the attitude of the attorneys in Miami and says that the decision also erects obstacles to the U.S.-Cuban immigration accord, which states that the rafters will not be able to enter the United States directly and that they must first return to the island to begin their legal processing.

The commentator wonders what the point is in preventing the voluntary return of illegal Cuban emigrants in Guantanamo and Panama at the same time that Proposition 187, a proposal made by the California governor that the commentary terms xenophobic and discriminatory, has been approved.

Commentary Charges U.S. Driving Rafters To Deaths

PA1111033294 Havana Radio Havana Cuba in Spanish
0000 GMT 11 Nov 94

[Commentary by Roberto Morejon; from the "Evening Information Review" newscast]

[FBIS Translated Text] U.S. General Raymond Ayres, commander of Guantanamo Naval Base where about 24,000 Cuban rafters are confined, defined—indeed, as no one else could have defined—the deplorable conditions under which the rafters are living when he told a reporter: Neither you nor I would voluntarily bring our families to live here.

Herded in military tents pitched on dusty ground, Cubans who left their country through their own means in August and September in an attempt to reach the Florida coast now find themselves lacking adequate water, food, and toilets in the illegally occupied area of Guantanamo.

Meanwhile, the 8,000 rafters who have been transferred to camps along the banks of the Panama Canal live under less stressful conditions, but there, too, they lack basic services to cover their minimum needs, and, therefore, a number of them have escaped. When recaptured, the fugitives are exposed to additional physical and psychological abuse by U.S. soldiers. According to the Panamanian daily LA PRENSA, one female rafter nearly died from a heart attack after she was beaten by U.S. soldiers.

At the Guantanamo base which has been under U.S. military control since 1902, some 1,000 Cubans want to return to their homes after confirming the tragic fate arranged for them by the authorities of the enclave. Last week, a group of 105 Cuban rafters returned clandestinely to sovereign territory, risking their lives by swimming some two miles across Guantanamo Bay and entering the mine field between the U.S. military installation and the area defended by Cuban soldiers. Although Cuban soldiers risked their lives to rescue the fleeing rafters, several rafters died or were injured when some of the mines exploded.

Despite the danger in the no-man's-land between the two military positions, Gen. Raymond Ayres agreed to transfer the rafters to an area where they allegedly will be safer. This irresponsible action, verified by Cuban observers, prompted Cuba to demand a U.S. explanation.

The treatment being given to thousands of rafters by the United States is unacceptable. In addition, it is driving them to their deaths, while those responsible for these absurd decisions feel no remorse. Even though these Cuban citizens left the island because they no longer wanted to live in their homeland and were seeking other economic opportunities, the Cuban Government cannot remain indifferent to their fate, which is now in the

hands of authorities who, day after day, maintain a policy that runs against basic human rights.

Deputy Minister: Proposition 187 Violates Human Rights

FL1011202294 Havana Radio Rebelde Network in Spanish 1800 GMT 10 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] Cuban Vice Foreign Minister Jorge Bolanos stated on 10 November that Proposition 187, recently approved in California, violates the human rights of undocumented Mexican citizens.

Bolanos stated that no government possesses the ethical and moral authority to stop medical or social assistance to any citizen [as heard] in the United States, no matter their origin. In his statements to the press agency NOTIMEX, Bolanos added, when commenting on the law that will deprive undocumented Mexicans in California of health care, education, and welfare, that once a citizen [as heard] is in the United States, it is the government's responsibility to care for and watch over him.

Meanwhile in Washington, Attorney General Janet Reno stated that the U.S. Government will wait to see how California implements Proposition 187 before deciding whether to oppose it or not.

On 9 November, U.S. courts accepted the suits filed by groups opposing the law, stating that Proposition 187 could not be implemented until its status is decided from a legal perspective.

U.S. Decision on Alleged Arsonists Termed 'Arbitrary'

FL1111191094 Havana Radio Progreso Network in Spanish 1200 GMT 11 Nov 94

[From the "First Thing" program]

[FBIS Translated Text] Arbitrary is the word that has been used to describe the U.S. authorities' decision not to press charges against the three individuals in Miami who tried to set fire to the fourth shipment earmarked for Cuba as part of a friendly aid caravan.

Alarcon Meets U.S. Council of Churches Official

FL1011170694 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] Rev. Oscar Valioli, Director of the Latin America and Caribbean Department of the U.S. Council of Churches informed the press on 9 November of the ongoing efforts to change the policy of the U.S. Government, which has for all intents and purposes interrupted the issue of visas to travel to Cuba for U.S. religious groups. Valioli stated that talks with

the U.S. Government have taken place from September to October 1994 to reopen the discussion, and also to discuss the differences that have persisted for the last 30 years.

[Begin Valioli recording] It is necessary to find a solution to the conflict that would bring an end to the embargo and the normalization of relations as a result. A third goal of these talks has been to facilitate the arrival of a delegation of the U.S. Council of Churches in Guantanamo, which has been agreed to by the White House. We could then visit the Cuban and Haitian people living in the Guantanamo camps. This visit would possibly take place during the first week of December. It would only have religious significance. We do not intend to visit as specialists on refugees, exiles, and similar issues; however, we want to reach them in a humane way, and help to fulfill their current physical and spiritual needs in Guantanamo. [end recording]

Rev. Valioli has met with the Ecumenical Council during his visit to Cuba as well as with Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government.

Reduction in Russian Sugar Production Noted

FL1211030494 Havana Radio Rebelde Network in Spanish 0000 GMT 12 Nov 94

[From the "Exclusive" program]

[FBIS Translated Text] According to (Sergey Senegin), director of the Sugar Industry of the Russian Ministry of Agriculture, Russian sugar production will decline more than 50 percent this year. The Russian official added that the situation regarding the supplying of sugar to the Russian market has worsened since Moscow has purchased less than 500,000 tonnes of Cuban sugar. (Senegin) went on to say that the imported Cuban sugar only represents 25 percent of the imported sugar needed to supply the Russian market.

Fidel Castro To Attend Zedillo Inauguration

PA1311201394 Havana PRENSA LATINA in Spanish 1752 GMT 13 Nov 94

[FBIS Translated Text] Mexico City, 13 Nov (PL)—Fidel Castro, the Cuban head of state, will attend the transfer of power in Mexico, scheduled for 1 December, official sources announced today.

In statements to the media, Ricardo Ampudia, the head of protocol at the local Foreign Ministry, announced that the president already confirmed his attendance at the inauguration of Mexican President-elect Ernesto Zedillo.

According to Ampudia, 12 other heads of state and government of America and Europe will travel to Mexico by the end of this month to honor the invitation of Mexican authorities. U.S. Vice President Al Gore and Ecuadoran Vice President Alfredo Dahik will also be in attendance.

The list of presidents includes Eduardo Frei (Chile), Ernesto Samper (Colombia), Ramiro de Leon Carpio (Guatemala), Alberto Fujimori (Peru), Carlos Roberto Reina (Honduras), Violeta Chamorro (Nicaragua), Armando Calderon Sol (El Salvador), Jose Maria Figueres (Costa Rica), Ernesto Perez Balladares (Panama), and Carlos Wasmosy (Paraguay).

The list is completed by the heads of government of Spain Felipe Gonzalez and of Belize Manuel Esquivel.

According to the schedule of activities for the transfer of power ceremony, the guests will attend an official dinner hosted by outgoing President Carlos Salinas de Gortari on 30 November.

Meanwhile, Zedillo will meet privately with the chiefs of state and government on 1 and 2 December to exchange views on bilateral relations.

Consulate Opens in Monterrey, Mexico

FL1111214894 Havana Radio Rebelde Network in Spanish 1800 GMT 11 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] A Cuban consulate has been opened in Monterrey, Mexico. Jose Ramon Fernandez, vice president of the National Assembly of the People's Government, said the event demonstrates the importance the Cuban Government places on its relations with Mexico.

During a news conference, Fernandez stated that the high level of bilateral ties correspond with a long-standing relationship and a sentiment of gratitude toward Mexico.

At the opening of the consulate, Cuban Ambassador to Mexico Abelardo Cuervo described Cuban-Mexican relations as exemplary and added that they will remain open to expansion in different areas.

Roger Gonzalez was appointed Cuban Consul in Monterrey, the third consulate operating in Mexico along with those in Merida and Veracruz.

UN Human Rights Official To Arrive 15 Nov

PA1011215094 Havana PRENSA LATINA in Spanish 1834 GMT 10 Nov 94

[FBIS Translated Text] Havana, 10 (PL)—Jose Ayala Lazo, UN high commissioner for human rights, will arrive in Cuba on 15 November in response to an invitation from Cuban authorities, it was officially confirmed here today.

Cuban Foreign Ministry spokesman Miguel Alonso said at a news conference that the details on Ayala Lazo's agenda will be given on Tuesday (15 November), after they are reviewed with the visitor who will remain in Cuba until 19 November.

We have proposed meetings with the justice and education ministers and the attorney general, but we cannot make an official announcement until a final agreement is reached, Alonso said.

Ayala Lazo will be free to develop his agenda in Cuba without any restrictions, Alonso specified, in replying to journalists.

Ayala Lazo had planned to visit Cuba in October, but the trip was postponed by mutual consent with Cuban authorities, it was reported.

Alarcon To Attend UN Public Health Conference

FL1111011794 Havana Radio Rebelde Network in Spanish 0000 GMT 11 Nov 94

[From the "Exclusive" program]

[FBIS Translated Text] Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government [ANPP], will participate in a conference on a public health and violence to be held in Washington. The conference is sponsored by the UN Development Program and the Pan American Health Organization. Alarcon will head the Cuban delegation, which includes Carlos Dotres, president of the ANPP Commission on Health; Jorge Antelo, vice minister of Public Health; and Magali Gonzalez, vice minister of Education.

Canadian Firm Begins Drilling Dry Land Oil Well

PA1011221294 Havana PRENSA LATINA in Spanish 0147 GMT 10 Nov 94

[Report by Raul Garcia Alvarez]

[FBIS Translated Text] Sancti Spiritus, Cuba, 9 Nov (PL)—The Canadian North West Energy Company (CNW) has begun drilling its first oil well on dry land in the development zone, in the central Cuban province of Sancti Spiritus.

Studies conducted almost one year ago located 25 square km in actual oil prospects which are at more than 3,000 meters below the ground and which are superior in quality to that found in the seaside resort of Valladero and in the city of Cardenas, in the northern part of Matanzas Province, western Cuba.

According to experts, light hydrocarbons are found at greater depths, because fields with high sulfur contents are found between 1,400 to 1,500 meters (heavy crude).

The first offshore oil well drilled by a foreign company in the shoals of Bahia Cardenas, 160 km from Havana City, toward the end of 1993 marked a watershed in the future of the Cuban petroleum industry.

This discovery is written among the successes of the Canadian Northwest Energy Company (CNW) and Fortune Petroleum. The French company Total is also drilling in the region of Bahia de Cardenas.

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The participation of foreign companies in the development of Cuba's oil industry obeys the need to obtain the necessary capital and technology for crude oil extraction and exploitation.

The government substantiates the success of this strategy with having reached 100,000 tons of hydrocarbons (a new record) sent to the storage tanks from the Ciego de Avila oil fields this year. The crude from this area, deposited more than 400 km from the capital, is considered Cuba's best quality oil.

Cuban oil production stands at approximately 1 million tons at this moment, and it is hoped to finish 1994 with 1.2 million tons of crude. Nine hundred million tons of oil were used in 1993 in producing electricity, cement, nickel, glass, and other export items.

More than 30 years of exploration, begun by Cubans and technicians from the former Soviet Union, have resulted in a total of 120,000 square km in Cuba that have good prospects for hydrocarbon exploitation. This finding has allowed the sectioning of the island into 33 zones to favor the work of foreign companies.

Companies that have reached agreements with Cuba include the French consortium Total-CEP, the Swede Taurus Company, and the Canadian companies CNW and Fortune Petroleum.

Deputies Take Measures To Strengthen Assembly Role

PA1211152794 Havana PRENSA LATINA in Spanish
2108 GMT 10 Nov 94

[Report by Ulises Canales]

[FBIS Translated Text] Havana, 10 Nov (PL)—Cuba's deputies have made it a priority to strengthen parliament's role and to perfect democracy in the country to make this branch of government less formal and more realistic.

Ramon de la Cruz Ochoa, chairman of the Cuban parliament's Constitutional and Legal Affairs Committee, made that statement today to PRENSA LATINA. De la Cruz is participating here in the Second International Penal Sciences Congress, which will conclude tomorrow.

De la Cruz said the National Assembly of the People's Government is very interested in supporting the country's general desire to update all laws that need to be modernized to be in touch with the times.

"Our intention is to make parliament less formal and increasingly realistic. This can be achieved by discussing the country's most important problems, be they political, economic, or social, and by working to democratically perfect the institution through increased debate and voiced convictions," de la Cruz explained.

Commenting on bills to modernize legal dispositions, de la Cruz mentioned the pending approval of a bill on the functioning of the National Assembly which would increase the role this legislative body plays in the state's structure as a supreme branch of government.

There are plans to make more efficient the Assembly's 10 permanent committees and the provisional committees that follow up on measures approved at regular Assembly sessions, which are held twice a year.

The bill is also intended to bolster deputies' rights and to establish ways in which they can approach the Council of Ministers, the Council of State, or officials of any rank to ask for information on matters related to their activities.

The bill also creates the possibility of convoking public audiences on diverse issues and includes a more embracing constitutional control procedure through which citizens may ask the Assembly to analyze or review any Council of Ministers decree they may consider unconstitutional.

Legislator Ramon de la Cruz, who is an attorney, recalled that the legislature is working on a citizenship law that will define matters related to the acquisition, loss, and recovery of Cuban citizenship, and on new legislation on mining drafted on an initiative from Cuba's Basic Industry Ministry.

In his opinion, the bill is intended to outline all mining concession processes and modernize mining to make it harmonious with the situation in the country, which is the recipient of a great deal of foreign investment in this field.

A bill dealing with defense is also in the advanced stages. It addresses the task of protecting the national territory in accordance with the predominant military concepts of this Caribbean island.

De la Cruz said a bill on commercial companies is its early stages. In his opinion, approval of this bill cannot be delayed while Cuba's economic opening is being diversified and commercial relations are becoming increasingly complex.

De la Cruz recalled that the basis for this bill is a Spanish commercial code from last century that was never rescinded but was disregarded during the 35 years of the revolution because of the absence, until now, of commercial and economic ties like the ones now forming.

Aware of the fact that all this does not complete the work, and without hiding the fact that he is unsatisfied with what has been achieved until now, de la Cruz is urging the Cuban parliament to go even further and give priority to efforts to become perfect and democratic in aspects of debate, plurality, and analyses.

'Straight Talk' Discusses Value of Peso

FL1011231994 Havana Radio Rebelde Network in Spanish 1700 GMT 9 Nov 94

["Straight Talk" program with host Carlos Santana Ojeda and guests Eloy Concepcion and Renato Recio, both reporters from the TRABAJADORES newspaper]

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[FBIS Translated Text] [Santana] Our topic of discussion today is the current situation of the Cuban peso when compared to the dollar. It appears that, from what is being said and felt on the streets, the Cuban peso is recovering its value against the dollar. What are the signs that of this phenomenon?

[Recio] We need to be very cautious. We cannot say that stabilization has been achieved just yet, and that a linear and regular process is taking place, because there could be changes in the future. Nevertheless, it is true. We have said it in the past, and we can see how it continues to happen. Everyday, people are giving the Cuban peso greater value, hence, the dollar-peso relation is making the peso the winner.

During the past few days, we have seen how people—at least in Havana City—have been exchanging their dollars for 30 to 35 pesos. The current exchange is probably anywhere between 30 and 40 pesos per dollar. Just a few months ago, the exchange was between 120 and 150 pesos, thus we can see the evolution, and a definite stable trend. However, this does not mean that the Cuban peso has been stabilized and that it has reached its definite value. Furthermore, there could be a turnabout, meaning that the situation could favor the dollar.

[Concepcion] Yesterday I observed how people in some places of Havana City were selling dollars for 20 to 25 pesos.

[Recio] At times, people are in need of pesos to buy products, and they trade their dollars even though the exchange rate is not in their favor. When this occurs, the dollar goes down, and it could continue to depreciate even more.

[Concepcion] I agree that the peso has increased in value, this cannot be denied, despite the fluctuations on the so called black market: Cuba's small and underground Wall Street, which is operating due to well known circumstances.

There are several reasons for the increased value of the Cuban peso. It is important to point this out, and to bring up something you mentioned this morning. I know of many places in Cuba where people are feeling the need to seek employment and to make money. That is a good indication.

[Recio] For the benefit of the listeners, this morning I spoke about the (Urbano Norris) mill in Holguin, where an average of eight or nine people seek employment on a daily basis. In addition, the mill's management is being very selective as to the personnel it hires. This is a very interesting indication, considering that the fluctuation of the working force in the sugarcane mills was one of the great difficulties in the past. In the past, 20 percent of the work force had to be changed on a yearly basis. Therefore, this selectivity could lead to a better work force, giving jobs to those who are really capable, trained, and willing to work. This is very important in order to rebuild our economy.

[Concepcion] I could also mention the situation in (La Myriam) in Pinar del Rio Province, which I recently visited. There is a list of people wishing to work there. We have already mentioned some of the results.

I believe that there are more supplies on the market. Some people do not understand the current situation, because they believe there has not been an increase in supplies. However, I believe there has been a substantial increase.

The other day I asked a comrade, who is an official of the Cuban Workers Federation [CTC], how many workers received incentives in from the CTC and the unions, to enjoy restaurants, hotels, and beaches during 1994.

Furthermore, I believe—and I do not know if it is entirely true—that people who had dollars at the 120 to 130 peso exchange rate were not the only moneybags. There was also a large number of people who needed dollars to buy soap, oil, or to go to the foreign currency stores—generally known as the “shoppings”—to buy those products that were very scarce. Right now, the availability of these articles has increased. Even though they still are not abundant, the situation has improved when compared to 1993.

Furthermore, there are rumors on the street on the creation of a convertible peso [peso divisa], but I do not know much on this topic.

[Santana] There are rumors about the creation of a convertible currency; in other words, a convertible peso. What do you know about this?

[Recio] You may remember that during the last session of the National Assembly of the People's Government [ANPP] many measures were discussed. Decisions were made on some of those issues and it was agreed that they would be implemented, some sooner than others. The ANPP discussed the issuing of a national currency which would be equivalent to the foreign currencies, for its use on the domestic market. The possibility exists. Therefore, people talk about it and rumors are heard on this matter.

We need to stress that this is a universal custom. Just a few countries, worldwide, use a foreign currency on their national market. Additionally, in most countries, when tourists arrive they exchange money. Suppose you travel to Mexico. Mexico currently has what is called the new Mexican peso. You can exchange the amount of dollars you wish at the airport. That way you can purchase whatever want on the local market such as merchandise or crafts, or take a cab. But, at all times, you are using Mexican currency.

[Santana] Does this mean that Mexico sells the dollars?

[Recio] Mexico guarantees that when the visitor, or any citizen, wishes to change national currency for world currency, that person can return the amount of money he has left, and receive the proper exchange.

[Concepcion] Perhaps we should return to discussing the reasons that increased—in a relatively short period of time—the value of the peso, though perhaps not at its full value. Some of the recently implemented economic and financial measures have also influenced on a topic that was somewhat forgotten: the home budget, or family budget. For some time now, we have not had to worry about many things, because we relied on the government to solve all our problems. The government will continue solving the people's main difficulties, but people need to solve some of their own problems, by finding work and getting a salary, which will allow them to buy things.

The farmers markets and the industrial markets, which will begin on 1 December, are a good example of this new approach. Clearly, there is a new and increasing type of supplies and services, which causes people to need pesos. We can also mention the increase in electricity rates, and some of the newly implemented taxes. All these new measures will make people more aware of the need to work, and they might even want to work two jobs, which is common in many countries.

Many people in the United States, who have been unemployed for a long time, now write and say how well they are doing. They work from Monday through Friday in one place, and wash dishes in a restaurant on weekends, because they need two jobs in order to live more or less comfortably.

[Recio] What you have just said is very true, however, I would like to continue discussing the possible creation of the convertible peso. Some people do not have a clear understanding, and they believe that the creation of a convertible peso would make the possession of dollars illegal once again. This is not true. That is not the purpose of this probable measure. Yet, people would not be able to go to shops or markets and pay in dollars. Instead, they would need convertible pesos. The advantage is that Cuba would be able to have this large amount of dollars to back that convertible peso, and use it in the economy, as banks worldwide do, by investing the money instead of maintaining a passive capital.

This may be not easy to explain or understand, but it is very important.

[Concepcion] This is done worldwide, and as you stated at the beginning, and people would need to go to the exchange house or bank before going to the "shoppings", and then they can use the convertible peso to buy good or services.

[Recio] The exchange houses could perhaps even be at the very "shoppings".

[Concepcion] That is a possibility. Dollars would not be illegal, but the convertible peso would be used as the currency for national trade.

[Santana] Many people, due to the quick recovery of the Cuban peso, are concerned and wonder whether this trend will continue, or whether this is only a temporary thing.

[Concepcion] Well, it is hard to predict that, and I would do not even dare to make such a prediction. However, I know for certain that there is a trend towards an economic improvement. There are problems in the sugarcane industry and with production, but as Comrade Lage recently stated, the economy—despite the situation in the sugarcane industry—has grown by approximately 3.5 percent during the first 10 months of 1994, and there are strong indications of the growth.

Foreign investment in Cuba continues to grow, and we could say that it is growing even faster. The opening of farmers and industrial markets will undoubtedly revive production. The measures implemented to restore the finances are having positive results. Everyday people need more pesos, and they need to work more to have those pesos. There are many other elements which indicate that the Cuban economy is gradually recovering. I am not saying that the trend to balance the peso with dollar will be uniform, or that it will not have obstacles, but I believe the trend will slowly continue until a reasonable balance is achieved.

Possible Introduction of Convertible Peso Viewed

PA1111165594 Havana Radio Havana Cuba in Spanish
0000 GMT 10 Nov 94

[Commentary by Roberto Morejon; from the "Evening Information Review" newscast]

[FBIS Translated Text] The possible introduction in Cuba of a convertible peso, proposed by Hector Rodriguez Llompart, minister president of the National Bank of Cuba, would fill the vacuum that exists in the country, which lacks a convertible national currency, and would contribute to resolving practical financial aspects.

As Rodriguez Llompart stated in an interview granted to the Cuban weekly OPCIONES, the new currency would represent a symbol of the country's sovereignty and, in the long term, would become the only currency used in all domestic and international transactions. Certainly, in very few countries do domestic and foreign currencies circulate simultaneously as a means of payment, because an exchange rate is set for trading purposes. Hence, this common practice should be equally assumed in Cuba.

Following the elimination of penalties for the possession of foreign currency and in keeping with the increase in all kinds of transactions with foreign capital and firms, the circulation of foreign currency in the Cuban territory has increased. This has resulted in an indiscriminate increase in the illegal marketing of, above all, U.S. dollars.

Since the country's economic reduction has had a negative impact on the financial situation, an artificial parity between the dollar and Cuban peso was established in the underground market, a trend reversed in recent times but still needing consolidation. The disparity between the Cuban peso and the dollar adversely affects the

customary control each state must exert over the monetary and trading circulation and has a negative effect on the national currency. Consequently, it is appropriate to adopt the corresponding mechanisms to prevent the further depreciation of the domestic currency.

It cannot be forgotten that the Cuban state also wants to satisfy the needs of all the population by obtaining items that can only be purchased in international markets with foreign currency. Therefore, the issuance of currency is justified to allow the government to receive circulating currency, without the measure forcing the bearer to exchange all he has, because the possession of foreign currency will remain legal.

Finally, if this measure is adopted, it would be easier for foreigners and Cubans possessing foreign currency to conduct their purchases in selected stores. However, in any event, it should not be overlooked that the entire Cuban population will continue to receive a set of basic services in the national currency.

Indeed, the possible adoption of the convertible peso would not affect the offering of gratuitous services, such as health and education, considered to be among the main accomplishments of the political project, as well as the collection for other services, food, and items available in domestic currency.

Foreign Investment Reported Expanding

PA1111042994 Havana PRENSA LATINA in Spanish
0908 GMT 9 Nov 94

[By PRENSA LATINA contributor Jose Dos Santos, vice president of the Union of Cuban Journalists: "Cuba-Opening: Initiative, Audacity, Responsibility"]

[FBIS Translated Text] Havana—Despite Cuba's acute economic crisis, foreign investments on the island are multiplying and being expanded to the most diverse fields, a paradoxical setting which is apparently opening ways for the leaving behind of difficult days when even coffee has a bitter taste, because everything is scarce, including sugar, in Cuba.

Contrary to what would happen in other parts of the world, shortages hindering Cuba's development do not suggest the possibility of any social upheaval. Not even U.S. pressure and reprisals have been able to scare away foreign capital, although it may have ruined more than one deal.

This situation has been mirrored by the many state authorities and trade delegations, from South Africa, Honduras, Asturias, Russia, and Brazil, that visited Cuba in November with cases loaded with economic projects.

Today's material difficulties do not impede planning for tomorrow. Imagination and exigency have been increasing to give valid responses to the difficult moment.

With a philosophy that is practical and at the same time respectful of principles, the Cuban economy is surmounting the almost unconquerable hurdle the abrupt disappearance of traditional suppliers and markets and the tightening of the U.S. blockade represent. An expression of this point has been exports, which increased by 3.5 percent during the first nine months of 1994 in relation to last year.

Carlos Lage, who is credited with heading the strategy for the remodeling of the Cuban economy, has illustrated the situation by reporting on the success obtained in the confrontation with "one of the biggest and most dangerous challenges:" the search for new markets.

Cuba, he has said, has ties with more than 3,000 foreign firms from 98 countries, and 400 of these firms have permanent representatives on the island. Right now, 165 associations function in Cuba with the participation of capital from 38 countries that operate in 26 fields of the economy.

Mexico is among the five countries whose investors head these relations. These investors have permitted the creation of important mixed enterprises in the telecommunications and oil-refining fields.

The Cuban recovery involves improvements in sectors such as tourism, which will receive this year more than twice the number of visitors received four years ago, more than 700,000.

Lage, vice president of the Council of State and secretary of the Executive Committee of the Council of Ministers, said while dedicating the 12th Havana International Fair that cooperation is now developing in textiles, leather, perfumes, personal hygiene, rum, fruit juices, beer, mineral water, tobacco, and the citrus industry.

The cooperation has been diverse, and it appears neither its scope nor the fields of cooperation have been limited. This point is surmised from Lage's affirmation that from now on "no productive sector will be excluded from investments by foreign capital," which could also function in the services field.

What most attention has caught is that the Cuban economy's "pampered baby," sugar, will not be kept away from foreign capital investments. The official report only states "various proposals involving sugar production are being considered positively," but Lage's announcement has coincided with the presence in London of Alberto Betancourt, director of the enterprise Cubasugar, in a context that could propitiate the first agreements in this field.

Foreign investments signed with the associations will amount to more than \$1.5 billion at the conclusion of 1994, not considering the fact that 200 additional projects are being negotiated.

With respect to this field, one point note mentioning is that representatives from more than 70 U.S. companies

have visited Cuba during the first quarter of the year. Fourteen of these companies are considered "highly important" based on their annual sales volume.

A new plan also announced by Lage is the possibility of signing a letter of intent in terms of the mutual interests that may develop "the moment free trade will be free for everyone involved." He has declined to disclose names, but, in his opinion, the potential partners will reveal their names on their own free accord at any moment.

Signs of economic reactivation, a rise in initiatives, and audacity in the projects are beginning to multiply in the everyday scenario.

Among them is the Union of Caribbean Construction Enterprises (UNECA), which will increase its presence in the area by covering the deficit of professionals in this sector, the transfer of technology, and other plans.

In addition, the increase in the demand of marbles was learned, together with the supply of technological knowledge for the production of alcohol and the action of a geological-mining enterprise in the east, which is ready to form a partnership with foreign firms for the prospecting and exploitation of mineral deposits ranging from chrome to volcanic glass.

As evidence of the boom in trade, one can read weekly in OPCIONES, a truly unique publication, advertisements from a series of Cuban companies "seeking partners." Among the most recent ones are the Guanajay Bus Manufacturing Company, the Asbestos-Cement Pipe Plant of Havana, a valve and pump factory in Guantánamo, and a stainless steel mechanical company.

The decentralization of commercial management reaches today more than 140 state corporations, empowered to conduct international operations, according to Foreign Trade Minister Ricardo Cabrisas. He has warned this process of change is being conducted without bringing chaos to the national economy.

From this perspective, representatives of nearly 1,000 commercial firms from 46 countries who have attended the 12th Havana Fair heard very important definitions from Carlos Lage, according to which he rejected a shift toward capitalism and a hasty series of measures:

"We offer you a country in order, a coherent and irreversible policy of opening to the investment of capital, an adequate and extended economic infrastructure, a production process shifting toward efficiency, a hard-working and altruistic people with a high level of education and technology, a society that does not know terrorism or drugs. We offer you a sovereign nation and an honest and incorruptible government."

These conditions are something very few countries of the planet are able to offer nowadays.

Industrial, Craft Markets To Be Demonstrated

FL1011171094 Havana Radio Progreso Network in Spanish 1200 GMT 10 Nov 94

[From the "First Thing" program]

[FBIS Translated Text] A demonstration of the industrial and crafts markets will be held in Havana on 12 and 13 November in the Paseo del Prado district, from El Malecon to Dragones Street.

Candido Palmero Meets Sugarcane Industry Leaders

FL1111214794 Havana Radio Rebelde Network in Spanish 1800 GMT 11 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] During a meeting with Havana Province agroindustrial complex managers, Candido Palmero, first secretary of the party in Havana, said that the delay in completing sugarcane planting cannot be ascribed to a lack of fuel. He said priority must be given to the fuel allocated to this effort.

Repairs on several sugar mills are encountering difficulties because of a lack of metal sheets [laminados] and other supplies. In contrast to this aspect, Palmero demanded that steps be taken in appropriate areas in order to guarantee that the mills open on time. The results of the assessment meetings held in almost all the basic cooperative production units [UBPC] in the sugarcane industry in Havana Province were discussed, and internal finances were reviewed. It was discovered that none of the UBPC's are dedicating 85 percent of their work force directly to the sugarcane effort or complying with the work load, a situation that should be remedied as soon as possible. The necessity of compliance with an eight hour work day was also discussed.

Report Views Effects of Tropical Storm

FL1411031894

[From the "NTV" newscast]

[FBIS Editorial Report] Havana Tele Rebelde and Cuba Vision Networks in Spanish at 0100 GMT on 14 November, during the NTV newscast, carries a report on the aftermath of Tropical Storm Gordon's passage over Cuba's eastern provinces.

Guantanamo Province correspondent Singh Castillo reports that 315 mm of rain fell in 12 hours. The president of the local government stresses that the main goal is to provide services to evacuees. Part of the recovery measures include the mobilization of 1,000 residents to coffee harvesting duty in Maisi, which has not reported any coffee losses. Castillo adds that 12,000 homes near rivers were flooded and 2,800 others were seriously damaged, and that 30 percent of the plants were lost at the Yateritas microjet farm.

Santiago de Cuba correspondent Maria del Carmen Diaz reports that the provincial Defense Council is engaged in assessing the damage caused by the storm in order to

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adopt an strategy to continue developing priority economic tasks. Juan Carlos Robinson states that "preventive measures implemented by municipal Defense Councils have made it possible to confront possible consequences and enter the recovery phase with a more favorable outlook." He adds: "The people of Santiago de Cuba have been summoned to prepare for the recovery process. This should include the massive participation of everyone in every task. Sugarcane harvest preparations will be delayed several days because roads will now have to be repaired, cutting tasks must be reorganized, and full normality must be reestablished in order to conduct the short and efficient harvest we seek."

Diaz adds that the two largest reservoirs in the province, the Carlos Manuel de Cespedes and the Protesta de Baragua, are releasing between 400 and 500 cubic meters of water per second, and thanks to the storm, the province now has enough water to last for most of 1995.

The NTV host adds that the Las Tunas Province correspondent reported that Gordon, "rather than hurting, has benefited the province by dumping almost 100 mm of rain in the Jesus Melendez and Manati Municipalities, thus ending the severe drought in those areas." She adds that over 9,000 students, 162 locals, and 132,000 heads of cattle were evacuated.

Granma Province correspondent Gloria Guerrero reports that the recovery phase began with a mobilization to coffee harvest tasks. The civil defense is implementing recovery measures and evacuated workers should return to agrarian duties within the next few days. She adds that the 29 mm of rain that fell in the mountain areas have hastened the coffee ripening process, and that reservoirs have also benefited.

Correspondent Aroldo Garcia reports from Sagua de Tanamo Municipality, Holguin Province, that the region experienced 300 mm of rain in a short period, causing the Sagua de Tanamo River to jump its course. He adds that this brought to mind the disaster that took place a year ago, so preventative measures were strictly implemented. Garcia reports that over 10,000 people were quickly evacuated to safer areas, and that Jorge Luis Sierra Cruz, first secretary of the Communist Party of Cuba in Holguin, and the defense council directed every operation and routed the scarce resources available to the most important tasks. The correspondent adds that 30 caballerias of miscellaneous crops, and 18,000 cans of coffee were lost. He adds that an emergency contingent has been organized to make up for the losses in the coffee harvest.

Robinson Urges Hastening Harvest Despite Storm

FL1311221994 Havana Radio Reloj Network in Spanish 2034 GMT 13 Nov 94

[FBIS Translated Text] Following the passage of Tropical Storm [Gordon] through Santiago de Cuba, Juan Carlos Robinson, first secretary of the Communist Party

of Cuba in Santiago de Cuba and president of the provincial Defense Council, urged residents to speed up preparations for an efficient harvest.

Robinson insisted that we must not simply wait for the rain to stop, but must create conditions so that if there is another storm, it will not cause new damage. Robinson called for each worker's participation in a series of important tasks that must be undertaken now, such as draining fields and reestablishing irrigation.

Finally, Robinson expressed his trust in the people of Santiago de Cuba to fulfill the tasks ahead and praised the discipline demonstrated during the 72 hours of rain.

Power Shortage Due to Generating Capacity Reduction

FL1111232594 Havana Radio Reloj Network in Spanish 2340 GMT 11 Nov 94

[FBIS Translated Text] Between 3 and 9 November, the generating capacity averaged 1,237 megawatts with a maximum demand of 1,969 megawatts, which caused a deficit of 732 megawatts. This balance reflects an increase in the average deficit caused mainly by a reduction in the generating capacity. Even though the Antonio Guiteras power plant in Matanzas is back on line, several other units have been taken off line. Unit No. 4, a 158 megawatt unit at the Carlos Manuel de Cespedes power plant in Cienfuegos, one of the most efficient and stable units in the country, is still under maintenance.

Between 10 and 16 November, the generating capacity is expected to be 1,400 megawatts, therefore the deficit will vary around 500 megawatts during peak hours.

Union Warns Blackouts To Increase 'Slightly'

FL1211192294 Havana Radio Rebelde Network in Spanish 1800 GMT 12 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] The Electric Union reports that the number of blackouts will be slightly higher than expected up until 16 November, when the power production deficit is corrected. Other plants have been taken off line for repairs, even though the Antonio Guiteras plant is back on line.

Western Army Conducts Combat Training Exercise

FL1111214994 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 11 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] [broadcast in progress] ...under way in the Jejenes Range. Cadets from various military schools and Eastern Army officers participated as observers.

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Over the course of two days, a tank battalion conducted a command and control exercise with the participation of other services and air support. Because of its scale and complexity, it is described as the most important exercise held by the Western Army this year, in terms of combat training.

Preliminary coordination and cooperation groundwork between the services participating was necessary in order to assure the success of the operation. A combined troop force composed of tanks, artillery, antiaircraft artillery, fighters, helicopters, airborne troops, and other forces went into action. The activities included firing at long distance targets with tank and artillery rounds, ambushes, night operations at fortified locations, air strikes, and attacks by tank squads and companies against ground enemy targets.

The exercise was directed by Ministry of the Revolutionary Armed Forces officials, lead by Brigadier General Raul Fernandez, chief of operations of the Western Army. The maneuver is the culmination of the training process in which the level of preparation reached by the troops is determined; this training prepares them to carry out their combat missions.

Bahamas

Justice Minister Appointed Foreign Minister

FL1011185894 Nassau Bahamas Radio Network in English 1230 GMT 10 Nov 94

[FBIS Transcribed Text] The minister of justice and immigration affairs, the Honorable Janet Bostwick, has been assigned the attorney general's portfolio as well as that of foreign affairs. Mrs. Bostwick retains responsibility for the justice and immigration portfolio. Mrs. Bostwick was sworn in at government house yesterday. Charlene Ferguson reports:

[Begin recording] [Ferguson] Just hours after the country was left without an attorney general due to the recent resignation of the Honorable Orville Turnquest, a new person has been appointed to fill this void. This time the replacement is a woman. The Honorable Janet Bostwick, minister of justice and immigration and member of parliament for the (?Abaco) Constituency, has been officially sworn in as the attorney general. The short ceremony held at government house marks the first time that the Bahamas has received a female attorney general.

[Bostwick] I, Janet (Guinett) Bostwick, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs, and successors, according to law, so help me God.

[Ferguson] After the short ceremony Minister Bostwick revealed her feelings on the new appointment.

[Bostwick] I think it is a singular honor to be appointed a dignitary of the Bahamas. And I am very grateful and

humbled by the trust that the prime minister has in me. It is a second appointment for a very short time, and I (?do feel) that with the assistance of all of the staff, I'm very grateful for the staff which we have in both ministries, we will be able to do the job and do it very well.

[Ferguson] She also says that this perhaps demonstrates the government's commitment to ensuring that persons of every sex can advance.

[Bostwick] It is always said that [words indistinct] fulfill this potential women [word indistinct] in the government, and it has been [words indistinct] time to date. I believe the women in the country will share in this [words indistinct].

[Ferguson] Reporting for ZNS news, I'm Charlene Ferguson. [end recording]

Haiti

New Police Chief Appointed in Port-au-Prince

PA1311221394 Paris AFP in Spanish 1816 GMT
13 Nov 94

[FBIS Translated Text] Port-au-Prince, 13 Nov (AFP)—The Haitian top military command this weekend appointed Captain Pierre Estanislav Neptune as the new Port-au-Prince chief of police. Neptune was also promoted to the rank of major and honorary lieutenant colonel on this occasion [ascendido en esa ocasion al grado de mayor y teniente coronel ad honores].

Lt. Col. Neptune, who has taken French gendarmerie courses, is replacing Lt. Col. Jean Lucien Cazeau, who has been appointed chief of the Haitian Army's weapons service.

Before his appointment as chief of police in the capital, Lt. Col. Neptune was commander of the Cafeteria police garrison in downtown Port-au-Prince.

The appointment coincides with an increase in crimes and robberies in commercial areas over the past few weeks due to the absence of police patrols and because U.S. troops refuse to do police work.

Two people were killed and another seriously wounded during an armed robbery in Port-au-Prince on Thursday. The victims were U.S. Embassy employees who were transporting an estimated 800,000 gourdes (approximately \$57,000) for the payment of local employees' salaries. The thieves were able to flee with the money.

On Friday a group of students, furious because classes at their school had been suspended, sacked Education Ministry offices in the capital, but police were unable to intervene. Two ministry employees were injured by stones.

Top police officers in the capital said on Friday that they want to maintain order but said that they lack the resources to do so.

Zedillo Vows To Back Challenges to Proposition 187*PA1111020594 Mexico City Radio ACIR Network in Spanish 0000 GMT 11 Nov 94*

[Report by Juan Carlos Escobedo; from the "Evening News Panorama" newscast]

[FBIS Translated Text] In his first public appearance as president-elect of Mexico, Ernesto Zedillo has condemned abuses and discrimination against Mexicans in the United States. He vowed to defend these people at every international forum.

Ernesto Zedillo closed the National Education Congress at the National Auditorium at noon today. He promised to include the teachers' proposals in the government's National Development Plan and education program.

In recognition of the work done by the country's teachers, he said the groundwork has been laid to achieve a great educational feat: complete the Literacy Program, comply with Article 3 of the Constitution, and begin a full assault against educational lags.

In this regard, he pointed out that teachers know that, along with health, the right to education is a basic universal principle, and therefore, all Mexicans must oppose actions that violate this principle, such as California's Proposition 187.

[Begin Zedillo recording] Professors should be aware that this attempt [words indistinct] insults that must not be forgotten by our conscience. A principled and choice solution should emerge from that country, instead of it reviving the most deplorable forms of pro-segregationist attitudes that naturally will offend us. [end recording]

The president-elect of Mexico stressed that Proposition 187 violates all morals in its attempt to create confusion for purely political reasons. Ernesto Zedillo promised to firmly defend the rights and dignity of our fellow citizens.

[Begin Zedillo recording] Our duty will be to defend with determination and strength the rights and human dignity of our compatriots. We will do just that by employing every legal and diplomatic means. My government will denounce before international forums all human rights violations against Mexicans in the state of California. [end recording]

He also underscored that his government will support legal challenges to Proposition 187 while respecting U.S. sovereignty. Zedillo added that the government will increase the human and financial resources of consulates and divisions of the Mexican Foreign Secretariat dedicated to the protection of Mexicans abroad. He pointed out that the migration problem will not be resolved by way discrimination.

[Begin Zedillo recording] Through the strict application of international law and the principles of our diplomacy,

we will defend our compatriots with determination. Emigration can only be turned back through the complete economic development required to generate jobs and opportunities that Mexican youths and adults are demanding. My government, along with you, will work tirelessly to achieve this development. [end recording]

The president-elect of Mexico voiced his satisfaction over the fact that Proposition 187 does not reflect the opinion of all U.S. citizens. He described as encouraging the fact that federal authorities in the United States have voiced moral and legal reservations about the proposition. This implies, Zedillo added, that it can be repealed [rechazado].

Government Reviews Measures on Proposition 187*PA1111023194 Mexico City Radio ACIR Network in Spanish 0000 GMT 11 Nov 94*

[From the "Evening News Panorama" newscast]

[FBIS Translated Text] It is important to highlight that the Labor, Foreign Relations, and Government Secretariats are currently reviewing special measures to confront the likely deportation of thousands of undocumented Mexican workers. This information was disclosed today by Labor and Social Welfare Secretary Manuel Gomezperalta Damiron. According to the labor secretary, his office is working to secure training and employment in Mexican industries for those Mexicans who are deported from the United States.

Meanwhile, there is more good news for those Mexicans residing in California who will not have access to health services, according to an announcement made today by Genaro Borrego Estrada, director of the Mexico Social Security Institute [IMSS].

Here we have a report via telephone by Marcela Gutierrez:

[Gutierrez] All Mexican workers in California, the United States, who do not have access to health and medical services because of Proposition 187 will receive attention here from Mexican Social Security clinics located along the country's northern border. This was announced by IMSS Director Genaro Borrego Estrada. The IMSS director stressed that, through the Solidarity Program, there are sufficient facilities to provide medical attention and immediate care to those Mexicans in clinics near the border. Here is the IMSS director:

[Begin Borrego Estrada recording, in progress] ...are in Mexican territory and have access to Social Security services, because they are also Mexicans. Fortunately, the institutions are capable of providing the services they need. [end recording]

[Gutierrez] Borrego Estrada described Proposition 187 as unfair, and he said it is evidence of the intolerance of racism. He also pointed out that Mexican institutions

have the responsibility to provide a better country to prevent Mexicans from being forced to emigrate to other nations.

Senate Protests Proposition 187, Discrimination

PA1111035594 Mexico City Radio ACIR Network in Spanish 0000 GMT 11 Nov 94

[Report by Juan Carlos Escobedo; from the "Evening News Panorama" newscast]

[FBIS Translated Text] Proposition 187 and the assessment of the recent presidential election were heatedly debated in the Chamber of Deputies once again.

The full Senate condemned the discrimination against Mexican workers this afternoon, for the second time, and demanded a more energetic and effective position from the government.

After debates on the terms as well as the tone of a Senate declaration, the parliamentary groups representing the PRI [Institutional Revolutionary Party], PAN [National Action Party], and the PRD [Party of the Democratic Revolution] finally approved the five-point document by consensus.

The document expresses the Senate's indignation and protests the ill-treatment of and discrimination against Mexican nationals in California. It reiterates that a responsible government must defend its citizens regardless of where they may be, based on international rights.

The Senate urges the Mexican Government to instill a more energetic and effective tone to its diplomatic protests:

[Begin unidentified speaker recording, in progress] ...requests the Mexican Government instill the most energetic and effective tone possible to its diplomatic and consular protests before the U.S. Government as a result of the ill-treatment and discrimination against all Mexican nationals, particularly those in California, stemming from approval of Proposition 187. [end recording]

In addition, the Senate of the republic recommends that the government bolster its presence and actions in all international forums in order to defend the rights and interests of all Mexicans, independent of their migration status.

The Senate document reiterates the need for both governments, Mexico and the United States, to negotiate bilateral agreements that will protect the rights of Mexican workers as well as their families.

Furthermore, the document also recalls that the North American Labor Cooperation Agreement, which is parallel to NAFTA, already approved by the U.S. Congress explicitly includes the principle of protection for migrant workers. [passage omitted]

Envoy Assails Proposition 187 at UN

PA1211022594 Mexico City Radio ACIR Network in Spanish 0000 GMT 12 Nov 94

[Report by Ricardo Aldai, NOTIMEX correspondent in New York, from the "Evening News Panorama" newscast]

[FBIS Translated Text] Mexico today denounced California's anti-immigrant Proposition 187 before the UN General Assembly, claiming it violates all international norms related to the rights of the individual.

Victor Flores Olea, Mexican ambassador to the United Nations, asserted that his government strongly opposes any norm or decision that violates or disregards the rights of children and rejects any open or covert forms of discrimination.

While participating in a debate related to the promotion and protection of children's rights, Flores Olea stressed that Proposition 187 constitutes a step backward in all international efforts to protect the rights of children and immigrants.

This is the first time the Mexican Government has brought up its position with respect to the proposition approved on Tuesday in the state of California. [sentence as heard] The initiative is designed to deny illegal aliens access to public services. The implementation of the measure would particularly affect children and youngsters, because this group comprises those members of society who need health and educational services the most.

Flores Olea recalled that, in 1990, the convention on the rights of children went into effect. The convention became a standard that reflects the rights of all children in an overall manner, and it also proved the great emphasis the international community has placed on the issue of childhood. As one of its fundamental principles, the convention establishes nondiscrimination and the enjoyment of all children's rights without any exclusions.

Debates related to the protection and promotion of children's rights, in which no binding decisions will be adopted, are intended as a follow-up to the commitments agreed upon at the International Children's Summit of 1989.

Business Council Chief on Zedillo, Proposition 187

PA1111041094 Mexico City Radio ACIR Network in Spanish 0000 GMT 11 Nov 94

[Report by Rocio Correa; from the "Evening News Panorama" newscast]

[FBIS Translated Text] Luis German Carcova Garcia, president of the Business Coordinating Council [CCE], says that support for the microeconomy, as well as everything related to the everyday existence of small and

medium-sized enterprises, should guide the policy of President-elect Ernesto Zedillo Ponce de Leon's incoming administration.

Interviewed during the inauguration ceremony for the Center for Industrial Management and Services of the National Confederation of Industrial Chambers, Carcova Garcia noted that if peace continues to prevail in Mexican society, and if we can indeed live within the law, the country's economy will easily grow 4 percent next year.

When asked about claims that Ernesto Zedillo was elected by virtue of PRI [Institutional Revolutionary Party] support only, the CCE leader discounted these claims by saying the Mexican people themselves elected Zedillo. Here is what he said:

[Begin Carcova Garcia recording, in progress] ...was elected because of the support received from the people of Mexico. In addition, those allegations are simply part of the political game, and we should not blow this out of proportion and lose the overall perspective. We have already seen evidence of this, for example, in the sorry spectacle we all had to witness during the [words indistinct] gives us an idea of how things are going. I believe that [words indistinct] and attitude. I have no doubt that the population clearly voted for a change and [word indistinct]. [end recording]

Meanwhile, the CCE president denounced the approval of Proposition 187, but he added that the solution to the problem lies in creating more jobs in Mexico to discourage emigration.

Editorial Views California's Proposition 187

PA1311043594 Mexico City LA JORNADA in Spanish
11 Nov 94 pp 1, 2

[Editorial: "A Firmer Position in Facing the United States"]

[FBIS Translated Text] The long and often difficult relation between the United States and the Latin American countries, beginning with ours, given our condition as a bordering country of the first world power, has set an unmistakable precedent: Conciliatory positions and warm protests hardly constitute appropriate answers to the arbitrary measures U.S. Governments often adopt to the detriment of those nations south of the Rio Bravo.

The view on the recently approved Proposition 187 as presented yesterday by Ernesto Zedillo, within the context of the first National Congress on Education, could be proof that the president-elect would be willing once he assumes office to maintain a more resolute and critical official stand vis-a-vis attitudes such as the one successfully promoted by California Governor Pete Wilson or any other attitudes that may harm Mexican immigrants crossing the northern border.

The explicit criticism of the racist trends and the pledge made public by Zedillo in the sense of defending with determination and resolve the human dignity of migrant workers in the United States, as well as uncovering before international fora all human rights violations against our fellow citizens, are signs leading us to believe the future Mexican Government will have more effective answers to eventual propositions the likes of Proposition 187.

Certainly, as Zedillo and Luis German Carcoba, president of the Business Coordinating Council, said yesterday before various fora and using different words, the flow of immigrants abroad will only be resolved as a last resort by creating more jobs and promoting development in the country. Although it is true that those needs encourage a large flow of Mexican immigrants into the United States, it is also true the need for manual labor by the agricultural sector and part of the industrial sector along the U.S. west coast also encourage this flow, which is harshly and crudely condemned by Republicans in California.

It has been said to the point of exhaustion—and experience has proved it—that massive social problems do not end by imposing restrictions or direct repressive measures. Those procedures are, if anything, temporary palliatives that end up turning against those who implement them in the form of tensions and conflicts of various types in addition to violating basic human rights.

The binational study on immigration, to which Zedillo pledged to give special support and attention, takes on a certain urgency, because it could facilitate agreements between our country and the United States to eradicate, at least in that area, the irritating U.S. propensity to adopt unilateral measures to resolve, in the worst possible manner, an issue that equally concerns the two nations.

Government Willing To Talk to EZLN's Marcos

PA1111155894 Mexico City Canal 13 Television Azteca
Network in Spanish 1300 GMT 11 Nov 94

[From the "Early Morning" newscast]

[FBIS Translated Text] Jorge Madrazo Cuellar, commissioner for peace and reconciliation in Chiapas, on Thursday sent a communique to Commander [title as heard] Marcos expressing the federal government's willingness to hold a respectful dialogue to politically resolve the distressing conflict in the state.

Madrazo Cuellar reiterated to the EZLN [Zapatist National Liberation Army] that the National Human Rights Committee and the Commission for Peace in Chiapas are not involved in police work at checkpoints established in the conflict zone nor do they intimidate the people who enter or leave the area.

The official clarified that his reply to the armed group's Subcommander Marcos was expressed in restrained and

considerate terms and came from someone who seeks peace and respects his interlocutor.

Peace Commissioner Issues 10-Point Response to EZLN

PA1411030894 Mexico City LA JORNADA in Spanish
11 Nov 94 p 18

["Text" of 10 points presented by Jorge Madrazo Cuelar, commissioner for peace and reconciliation in Chiapas, to the Clandestine Indian Revolutionary Committee-General Command of the EZLN, through Bishop Samuel Ruiz Garcia; place and date not given—words within boldface as published]

[FBIS Translated Text] "Subcommander Marcos:

"I am hereby responding to the communique of 26 October 1994, addressed by you to the undersigned, of which I was informed on 31 October. I respond in moderate and considerate terms, which is appropriate for someone who seeks peace and who respects his interlocutor.

"**First.** I have assumed my responsibilities with seriousness, full resolve, conviction, and total attention. If some of the actions I have undertaken have failed to culminate in the manner I would have liked, it is not, at any rate, because of an intention on my part to deceive or trick you. I regret that the Zapatist National Liberation Army [EZLN] never answered my many requests for a direct meeting, which, in my opinion, would have contributed significantly to the solution of problems. You are aware of the limitations of communicating exclusively through letters.

"**Second.** The installation of observation camps within the buffer zone is intended precisely to prevent actions in those areas that could be interpreted as provocations. To confirm the objectivity of the actions undertaken by the observation camps, from the beginning we insisted that it would be advantageous to allow civil society to participate through nongovernmental organizations. We have continued this effort and hope it will yield results very soon. I am certain that you will appreciate the information supplied by nongovernmental organizations regarding events in the buffer zone.

"**Third.** I am absolutely certain that employees of the National Human Rights Commission and my office who are at the military checkpoints are not doing any police work, much less intimidating people who enter or leave the war zone, as you say. The people informing you are surely doing so in bad faith; they are trying to hinder the success of the measures of detente we have implemented. I would encourage you to find other sources of information who will provide you with precise and trustworthy information.

"**Fourth.** It must be clearly established that the document I sent to Bishop Don Samuel Ruiz Garcia, in response to his initiative for a new dialogue, should not in any way

be interpreted as an ultimatum. I am convinced that in the search for a peaceful solution to the conflict there can be no ultimatums. On the contrary, we must continue our joint search for a viable means of politically resolving the painful conflict in Chiapas. I am also convinced that the EZLN can significantly contribute to the effort to create an adequate atmosphere for the resumption of direct dialogue. It is in this spirit that pertinent observations have been made to the bishop.

"**Fifth.** The instructions for the Mexican Army to occupy the positions they held on 12 January refer, undoubtedly, to the less forward positions they held during the 10 months of the conflict. Therefore, the likelihood of clashes between the forces cannot increase. The Mexican Army will not position itself for a confrontation.

"**Sixth.** I am aware of the aid that the San Quintin ejido has received from the Federal Government in the area of electrification. I have also heard of other communities where receipt of government aid has been prevented by members of the EZLN. In these other cases, would you allow aid to reach those who have requested it? It is because of these reports that I have suggested that a procedure be proposed to make government aid possible.

"**Seventh.** I am hereby informing you that the Federal Government is going to form an investigative group to deal with complaints of crimes perpetrated by a group of people in Teopisca and Tapachula. Since, in your communique, the EZLN established its position regarding those crimes, I offer to keep you informed of the investigation results.

"**Eighth.** Over the next few days an investigation will be conducted into the situation of people displaced from the war zone. It will establish the causes of their migrations and, where warranted, invite them to return to their communities because, as you say, for the EZLN the return of the displaced has never been a problem.

"**Ninth.** As for the conditions that you establish for the resumption of dialogue, I must point out that the murders of Cardinal Juan Jesus Posadas Ocampo, Attorney Luis Donaldo Colosio, and Attorney Jose Francisco Ruiz Massieu have been profoundly painful events for us and that, from a human standpoint, it would be unwise to make a mockery of those events. The government of the republic is most interested in getting to the bottom of each of these shameful events and punishing everyone involved. The respective investigations have progressed with the results that are known to the general public.

"**Tenth.** The government of the republic does not want war, to force an unconditional surrender disguised as dialogue, or to lead the situation to the limits of its explosiveness. Instead, it wants peace and respectful dialogue that will lead to the discovery of better solutions, without having to speak of winners or losers. It wants freedom, dignity, and justice to prevail in Chiapas and for all Mexicans. I encourage you to join me on this path."

Cardenas Conveys EZLN Hope for Peace in Chiapas*PA1211193794 Mexico City NOTIMEX in Spanish
2031 GMT 10 Nov 94*

[FBIS Translated Text] Tuxtla Gutierrez, 10 Nov (NOTIMEX)—Cuauhtemoc Cardenas, former presidential candidate for the Party of the Democratic Revolution (PRD), denied today that he will adopt "a confrontational attitude" regarding the armed conflict in Chiapas State.

Cardenas, who met on Wednesday with Subcommander Marcos, leader and spokesman of the Zapatist National Liberation Army (EZLN), said that since the conflict began last January, the PRD has supported a peaceful solution.

"From the very beginning the PRD has come out in favor of a peaceful rather than military solution to the problem," Cardenas stated. He volunteered to help ensure that the dialogue between the federal government and the EZLN resumes before the end of the year.

"The resumption of the talks and the reactivation of the pacification process in Chiapas is feasible, based on the political commitment and willingness of the two sides," the former opposition candidate, who came in third in the past elections, stated.

Interviewed at the military airport in Tuxtla Gutierrez, capital of Chiapas State and located 1,000 km southeast of Mexico City, Cardenas reiterated that the EZLN is willing to find a peaceful solution to the conflict.

The EZLN, which took over various villages in Chiapas last January to press for the Indians' demands, broke off talks with the government last month, stating that the appropriate conditions did not exist for ending the conflict.

"The federal authorities must resolve the profound educational, agricultural, economic, and social problems of Chiapas' neediest residents," said Cardenas.

During his conversation with the Zapatist leadership, headed by Subcommander Marcos, the EZLN reiterated its decision to reach a political, not military, solution to the state's problems, the leader of the center-left PRD said.

"I am conveying his (Marcos') message that he supports a political solution to the conflict and that he hopes the federal government will soon take steps to seek this understanding," Cardenas, a 53-year-old engineer, stated.

According to the former candidate, immediate attention must be given to the "stalemate in handling the long-standing problems of the state," because (Chiapas') political and social problems are not just hurting the whole country but the democratic system as well.

In the opinion of Samuel Ruiz, bishop of San Cristobal de las Casas and mediator of the conflict, the state's

conflict may flare up at any moment, so he also feels it is urgent to resume the dialogue.

Estimates by the Emergency Program for Assisting Displaced Persons indicate that the Chiapas conflict has resulted in the displacement of some 8,720 Indians from various villages.

Chiapas Experiences Economic Crisis in Wake of Uprising*PA1211201394 Madrid EFE in Spanish 0724 GMT
9 Nov 94*

[FBIS Translated Text] Tuxtla Gutierrez (Mexico), 9 Nov (EFE)—According to financial sources, at least 45 companies have declared bankruptcy and over \$200 million have been registered in economic losses in the southeastern Mexican State of Chiapas since the onset of the armed conflict last January.

Mario Narvaez David, Chiapas leader of the Employers Confederation of the Mexican Republic (Coparmex), said that 45 of the 300 companies operating in that state shut down in 1994.

Narvaez David blamed the shutdowns on the social problems which emerged following the uprising of the Zapatist National Liberation Army (EZLN), which took up arms against the Mexican Government last January.

The EZLN operates mainly in the mountains and the Lacandon Jungle of Chiapas, located some 1,000 km from the Mexican capital.

A military cease-fire, which was negotiated to seek political solutions to the insurrection, has been declared. According to business sources, the conflict has affected economic activities, cattle ranching, trade, and tourism in Chiapas.

Bernardo Ardavin, Coparmex leader for southeastern Mexico, described Subcommander Marcos—the military leader of the EZLN—as the "best producer" of unemployment and lack of investment.

According to Ardavin, Mexican and foreign investment has stopped coming to Chiapas—the country's poorest state—because of the "insurmountable ungovernability" and "lack of political and social stability."

Chiapas residents—some 3.5 million inhabitants, including 1 million Indians—"are frustrated" by a lack of respect for their rights and because investments are necessary for Chiapas to save its economy, Ardavin stated.

Chiapas Governor-elect Eduardo Robledo Rincon, who will take office on 8 December, asked businessmen to invest in the state and explained that it is necessary to create at least 200,000 jobs.

As for the business aspect, the conflict has caused at least 2,500 commercial establishments in the state to shut

down and has resulted in losses exceeding \$1.6 million between January and October.

The livestock sector—one of the hardest hit—reported losses over \$200 million in the conflict area, the Lacandon Jungle, located some 1,000 km from the Mexican capital.

Sources for Chiapas ranchers say that since the onset of the conflict, 98,000 fewer head of cattle have been produced.

In that same period, the hotel sector announced that 1,000 sources of employment have been eliminated, and hotel occupancy has dropped 30 percent.

There are at least 240 hotels in Chiapas—one of the leading areas for tourism due to its Mayan archaeological areas. These hotels registered economic losses over \$100,000.

The economic situation in Chiapas threatens to become worse as the date on which Robledo will assume office as the new governor approaches. The EZLN has threatened to resume the conflict if what they described as an imposition takes place. The EZLN and several social groups in Chiapas believe that Amado Avendano—the candidate of the Party of the Democratic Revolution—was the true winner of the gubernatorial elections, not Robledo of the ruling Institutional Revolutionary Party.

The National Democratic Convention, a political forum created at the beginning of last August on the initiative of the EZLN, has announced a number of measures of civil resistance if Robledo takes office, including a parallel government.

CEOIC Head on Opposition to Chiapas Governor-Elect

PA1111013994 Mexico City UNOMASUNO in Spanish
8 Nov 94 pp 1, 11

[Report on an interview with Rafael Jacobo Garcia, president of State Council of Indian and Peasant Organizations, CEOIC, by Griselda Sierra Valencia; place and date not given]

[FBIS Translated Text] Under no circumstances will the Chiapas peasants and Indians tolerate Eduardo Robledo Rincon taking over the governorship on 8 December. Likewise, there will be an all-out struggle for power and a confrontation to the last consequences that will have nationwide repercussions if the federal government does not immediately attend to this problem and force him to resign, warned Rafael Jacobo Garcia, president of the State Council of Indian and Peasant Organizations (CEOIC).

In addition, Garcia has warned the CEOIC will be on the side of the Chiapas peasants during good and bad times, supporting their decisions, no matter what these may be, because "we can no longer hold them back. We did everything in our power from a legal, judicial, and a

rapprochement point of view. Nevertheless, we realize now there is no way to hold them back. They will not listen to us. We are not, however, against them, because, as we know, they have no other choice."

Meanwhile, Lazaro Hernandez, leader of the ARIC [Rural Association of Community Interests] Union of Unions, has told this daily this organization as well as the CNC [National Peasant Confederation], the Pajal Yacaltic Union, Peasant Struggle, and other agrarian groups will stage a demonstration with 25,000 peasants in Tuxtla Gutierrez on 20 November to demand that the vote be respected.

This demonstration will be held the same day, possibly in the same city, during the demonstration by the independent CEOIC, with 70,000 persons. Nevertheless, Lazaro Hernandez has said there is no intention of reaching a confrontation, adding he is already working in all the state municipalities to stage the demonstration.

Jacobo Garcia, who is also a PRD [Party of the Democratic Revolution] federal deputy, has said one of the government's top priorities, from his point of view, should be to resolve the situation in Chiapas, if it really wants peace. He has said: "That peace can only be achieved if it is decided as of now that Robledo Rincon will resign and that he will not occupy the governorship."

[Sierra] Even if another PRI [Institutional Revolutionary Party] member takes office?

[Jacobo] Even if another neutral person, who does not have the obligations such as those Robledo has, takes office.

[Sierra] Even if Amado Avedano does not occupy the governorship?

[Jacobo] Even if Avendano does not take office, given that the government does not want him, even though this position would be the most convenient to avoid an outbreak.

The CEOIC president, who led the "March for Indians' Dignity," from Chiapas to Mexico City in September and October 1983, has warned the federal government will be solely responsible for what may occur in Chiapas and in the nation in general if Robledo Rincon does not resign.

He added the Chiapas peasants and Indians are willing under no circumstances to put up with six more years of poverty, deceit, mistreatment, and humiliation.

Jacobo Garcia has said the CEOIC is concerned with the situation, because the militant Chiapas peasants have been struggling for 18 years without any solutions to their problems. "They believe they cannot continue tolerating this situation any longer, and they have assumed an attitude in which they do not only take into account the social aspect but also consider the political aspect. We offer them our support, because the problems should be solved."

He has recalled that all the abnormalities committed against the peasants in Chiapas were reported when the march was staged in 1983. Mexico and the whole world realized what was happening after that, but no one did anything, and "the situation exploded 10 years later."

Meanwhile, Lazaro Hernandez, who has said Robledo Rincon won the 21 August elections, has stated: "The truth is that I do not know what the opposition parties want, because they know very well they did not win the elections." He added: "The truth is that all of Chiapas is on Robledo's side. The people want peace not war."

He said later the ARIC Union of Unions, the CNC, the Pajal Yacaltic Union, the Lucha Campesina, as well as other organizations will hold a congress in Tuxtla Gutierrez on 18 and 19 November, and they will stage a demonstration with 25,000 peasants on the 20th.

He has said this demonstration will not be against the independent CEOIC, because "there is no sense in staging a confrontation;" it will be, rather, to demand respect for the vote.

He has said the ARIC Union of Unions still represents in the state more than 40,000 peasants despite the two divisions they have suffered. The first division was because thousands of peasants had decided to join the EZLN [Zapatist National Liberation Army] and second because "a group of former leaders decided to leave the organizations, because they did not know how to manage it."

Meanwhile, he has expressed regret the EZLN is threatening the people in the communities who do not join this organization to leave their lands, saying this action is not fair, because the peasants are leaving behind their land lots and properties, and those who truly suffer are the children.

He added that he had talked with certain EZLN leaders who had been asked to respect the peasant members of the ARIC Union of Unions, the same way this organization respects their movement.

"We are not against them. We have already told them not to act against those people, because they are poor the same as they are. We will continue talking with the EZLN representative so they do not continue screwing [chingando] the people."

Zedillo Accepts Designation as President-Elect

PA1211020494 Mexico City Canal 13 Television Azteca Network in Spanish 2123 GMT 9 Nov 94

[Speech by President-elect Ernesto Zedillo Ponce de Leon, accepting the formal designation as president-elect by the National Congress, at the San Lazaro Legislative Palace in Mexico City—live]

[FBIS Translated Text] Honorable Chamber of Deputies, honorable legislators: It is an honor for me to meet with this parliamentary commission. I thank you for

conveying to me that the honorable Chamber of Deputies, established as the Electoral College, has declared me president-elect of the United Mexican States.

Today concludes in our nation the most agreed upon, intense, and [word indistinct] electoral process of this century. Nine candidates participated in this election with conviction and a deep passion for Mexico. I reiterate my acknowledgement to each and every presidential candidate, and I reaffirm my unvarying respect for the parties that nominated them, to the [word indistinct] that supported them, and to the people who voted for them.

We are no longer adversaries. What is important now is to reach a consensus to achieve goals; to join together in carrying out our duties and efforts; and to implement, through consensus, dialogue, and unity, the important changes that Mexico demands. Looking beyond ideological differences and variations in programs, on 21 August the citizens participated to strengthen the nation's sovereignty, to perfect with enthusiasm our democracy, and to build a new system of justice to give full force to the de jure state.

At the same time, the citizens willingly spoke out in favor of building a solid federalism and of fostering economic development that, without sacrificing price stability, translates into adequate jobs; greater earnings for workers in the fields, as well as for those in the cities; and a decisive struggle against poverty and inequality. This is how I understand the mandate you have given me, Messrs. legislators—a mandate I will accept with overwhelming determination on 1 December.

I view the mandate of the Mexican people with the determination that every problem, every request, and every conflict will always be handled within the framework of the law through dialogue, negotiation, and always with a constructive spirit. Our obligation is to respond to just demands, rectify painful deficiencies, and efficiently overcome the great challenges facing the nation's progress. We must tackle social problems at their very roots—problems that prevent peace, harmony, and [words indistinct] to those who have less, particularly the Indian communities. In this, every political force, every social group, and every citizen, has a responsibility and an obligation.

The nation now wants peace, unity, security, and progress. Mexicans now yearn for opportunities, prosperity, and justice. Our shared responsibility is to work for Mexico's well-being—for the well-being of its men, women, young people, and children. I call on all Mexicans to contribute unfailingly to achieve this goal. I fully accept the lofty responsibility of being declared president-elect. I know how to comply with the mandate of my compatriots, and I will conduct all of my actions and make all of my decisions in keeping with the Constitution of the republic and the laws governing the responsibility I have been given.

Rest assured, Messrs. representatives of the nation, that I will govern for all and exclude none. Rest assured that I will govern close to the people and for the people. Let us join our efforts for the sake of our children's future, for they themselves are the future of our nation and of Mexico's grandness. Thank you very much. [applause]

Salinas, Zedillo Create Commission for Transfer of Power

PA1311181094 Mexico City XEW Television Network in Spanish 0530 GMT 11 Nov 94

[From the "24 Hours" newscast]

[FBIS Translated Text] The transfer of power in Mexico is under way. This Thursday, President Carlos Salinas de Gortari and President-elect Ernesto Zedillo Ponce De Leon decided to create a coordinating commission for a smooth transfer of the executive branch, which will take place within 20 days, on 1 December 1994.

For all public servants leaving office, this transition and coordinating period implies the commitment to provide their successors with complete and precise information on the internal administration and implementation of the programs under the corresponding agencies and organizations.

The budget situation of all government agencies as of 31 August 1994, as reported by the agencies' internal comptrollers, will be presented to the coordinating commission. On the date of presentation, public servants at the level of general director to secretary of state will deliver a list containing the tasks to be performed within 90 days following the transfer of power, so as to give continuity to immediate actions.

Representing the Presidency in this commission will be Santiago Onate Laborde, Maria Elena Vazquez Nava for the Secretariat of the Comptroller General, Carlos Ruiz Sacristan on behalf of the Secretariat of Finance and Public Credit, Pedro Noyola representing the Secretariat of Commerce and Industrial Development, and Andres Rozental of the Secretariat of Foreign Relations.

Representing the team of President-elect Ernesto Zedillo will be Luis Tellez and Lievano Saenz.

PRI Willing To Promote Electoral Political Reforms

PA1311015094 Mexico City EL FINANCIERO in Spanish 8 Nov 94 p 48

[Report by Francisco Gomez Maza]

[FBIS Translated Text] The Institutional Revolutionary Party (PRI) is willing to promote new electoral political reforms "that will provide for more equal conditions in election campaigns and ensure the absolute confidence in their results."

The PRI expresses this statement in a report in which it gives its version of the development and quality of the

electoral process of 1994. The PRI gave a copy of the report to the Federal Electoral Institute (IFE) so that the IFE, in turn, would send it to the Chamber of Deputies, along with other reports from members of the IFE General Council, in keeping with legal requirements.

According to the PRI report, the PRI has "always acted as a responsible, democratic, and law-abiding party and is willing to continue to do so in the future, by promoting the reforms that are needed to change and perfect our electoral processes."

The document establishes that "the PRI has taken on a commitment to repay the confidence of the electorate with real actions, to promote a dialogue between all political forces, face to face with society, so as to seek new ways toward agreements in the solution of issues affecting us all, and to propel, along with the whole society, the country's development."

The PRI states those who have claimed the electoral process was fraudulent have been left without an argument. The people voted in large numbers, because they had always been certain their vote would be respected, "despite the previous ominous and unfounded claims made to the contrary."

The PRI assures that the errors and irregularities that occurred during the election were "minor and isolated" and that they have been corrected and punished by the legal authorities. "These actions—in truth, minor and isolated, the PRI reiterates—cannot invalidate what is essential, however: that the people voted and the people decided on 21 August. Antidemocratic attempts by certain minorities to alter or negate the popular will, which was clearly, legally, and legitimately expressed in the voting booths, have not prospered."

The document contradicts the impugnations of the opposition when it assures "the voting was free, well-informed, secret, pluralistic, and well tallied. In summation, the election was effective (and) has given solid political legitimacy to the government that must begin its term on 1 December 1994.

The PRI calls on Mexicans "not to waste the opportunity to build a better Mexico, more democratic, more just, more prosperous, more modern...in Byzantine arguments and sterile confrontations."

"Let us all acknowledge, without political banners, a great truth: that the building of this new Mexico is founded on the will of the Mexican people as expressed on 21 August," the PRI report states.

The PRI report assures the country made undeniable progress after 21 August toward dialogue, rapport, agreement, and the consensus of all society in favor of all society.

"This is a pluralistic society, a new society formed, as the 21 August elections have shown, by different political

forces that are all respectable, all participative, all of great importance to the development of Mexico," the PRI report acknowledges.

Returning to the issue of the new reforms, the PRI admits the "new legislation (a result of the most recent reforms) today makes up a more modern and innovative legal system that has great advantages in many respects over the legal systems of other countries. It needs to continue being perfected, however, so as to reach complete harmony with the expectations of the peoples and parties on this issue."

Notwithstanding, the PRI rejects any criticism leveled against the truth and the due recognition of the popular decision as expressed in the voting booths and which tries to change, without proof, what have been the cleanest, most participatory, most scrutinized, most competitive, and most democratic elections in Mexico's history.

In conclusion, the PRI report states "it cannot be denied that there were irregularities and isolated problems in the 1994 elections. These irregularities and problems were the result of involuntary human errors, however, and the mobility and growth of our people; they followed neither a set course nor benefited a particular party."

The PRI expressed its willingness, however, to submit itself to more strict controls regarding campaign expenses: "It is ready to promote changes that guarantee an even more equitable access of all parties to the media as long as such changes do not result in an authoritarian uniformity of the media, thus harming the constitutional rights of freedom of the press and freedom of expression."

Civic Alliance Queries Legitimacy of Elections

*PA1211033694 Mexico City LA JORNADA in spanish
9 Nov 94 p 62*

[Paid advertisement by Civic Alliance-Federal District]

[FBIS Translated Text] Citizens: The Congress, installed as the nation's Electoral College, has assessed an electoral process characterized by its illegitimacy.

Civic Alliance-Federal District confirms that the assessment of the presidential election suffers the stigma of illegitimacy because of the number of violations that took place during the now-concluded electoral process. Among the most serious violations are: the unfairness in mass media coverage; the lack of transparency in the use and amount of resources employed in the political parties' campaigns; the relationship between the government and the Institutional Revolutionary Party; the systematic violations of the vote's secrecy; the pressure on, purchase of, and coercion of votes; the inconsistency and, therefore, lack of trust in the electoral registrar; and the ineptitude and/or biased nature of the electoral authorities and of the Electoral Office in the exercise of their duties.

The punishment for electoral crime is conditioned on credibility and the recovery of the election's legitimacy.

The Civic Alliance-Federal District condemns the hasty assessment of the elections through the majority of votes in the Chamber of Deputies that overlooked the violations in the electoral process.

We, the citizens who act as observers of the electoral process by way of the Civic Alliance-Federal District, reiterate that as long as the game is not clean, there can be no legitimacy.

PAN Assesses Presidential Elections

*PA1211202994 Mexico City LA JORNADA in Spanish
9 Nov 94 p 54*

[Statement "to the Mexican People" issued by the National Action Party legislative bloc in Mexico City on 8 November]

[FBIS Translated Text] The National Action Party [PAN], through its representatives in the Electoral Institute responsible for evaluating the presidential elections, is complying with its moral and political duty to express before the people its opinions and assessment of the electoral process that legally ends today.

The PAN once again honors its commitment to the nation, its supporters, and the millions of citizens who accepted its political proposal and voted for its candidates and programs, by expressing our position in this ceremony of great solemnity and republican significance.

We do this, first of all, in strict compliance with our legal duty as members of the legislative branch with the right to represent the nation based on the votes of more than 9 million Mexicans.

We do this with the conviction that in a community that wants to live in a state of law, the rules that govern our institutional life should be strictly respected to set for citizens an example of adherence to and respect for the law.

We also do this convinced of our role and responsibility in ensuring the welfare of all Mexicans. Ever since it was founded in 1939, the PAN has regarded political activities to be noble and superior tasks carried out by those who are elected to serve the people.

The members of PAN also see political activities as an opportunity to encourage public debates so citizens can elect the leaders they believe can best meet their expectations.

We hereby state that for 55 years the PAN has struggled to build democracy, viewed not only as a legal-electoral formula but as a real life-style in which man and the circumstances surrounding him can be discussed and in which the best possible solutions are proposed for the major national problems.

Hence, we come before this national tribune with the moral authority earned in 55 years of struggle and political proposals, making the same commitments to Mexico that have increased awareness and won support since PAN's creation. Our commitment is to the truth; our commitment is to justice; our commitment is to liberty.

Our commitment to the truth today forces us to say that, unfortunately, despite the great efforts and democratic voting of the Mexican people—with the PAN on its side—our country still does not have a totally democratic system.

We must state that the recent electoral process we are evaluating today was not equitable or just. We must also recognize that the elections were marked by a large voter turnout resulting from the expectations about democratic elections created by the advancements and changes in the electoral procedures.

We freely assume our legal, political, and moral commitment, recognizing with intellectual honesty the advancements our institutions have made. We must, however, clearly point out the deficiencies and errors that must be corrected. The legal evaluation of the presidential elections will end today, but the moral and political evaluation, which will be based on actions to be taken in the immediate future, remains to be done.

Based upon a simple analysis of the election figures, we must point out two facts: First, over 77 percent of the people favor peaceful avenues for resolving Mexico's problems. Second, over half of the voters did not vote for the PRI [Institutional Revolutionary Party] government. The conclusion is that one out of two Mexicans opposes corporatism, pressure, overwhelming and disproportionate propaganda, coercion, intimidation, and the strategy of paternalist attitudes: manipulation of the news media. In sum, they rejected archaic politics.

These results also demonstrated that more than half of all Mexicans do not want a more lopsided presidential system, do not want more PRI government, and do not want a country without a balance of power. Nor do we want a country without the validity of the principles of federalism and the autonomy of the municipality. In sum, half of all Mexicans do not want to continue with the same regime they have had up to now.

The vote, which expresses the desire of millions of Mexicans, gives the PAN a new dimension: We are the largest opposition force in the country; we are a great political force with more than 9 million free and well-considered votes. We are the largest political party, because the one that received the most votes is not a party, it is not a political party: It is the very state itself.

We are therefore confronting a state-party. The people's money is still wasted to obtain millions of votes for the candidate of the official party. Social programs such as Solidarity and Procampo [Program of Direct Support to

the Countryside] have been intentionally geared toward gaining the vote of the dispossessed.

There are also government programs, such as the project aimed at the richest men of Mexico, to make them feel as if they can prolong what should not last. We tell that plutocracy: That is their business and responsibility! Each person is responsible for what he does and does not do.

Competing under unequal conditions against the state party, the PAN doubled its votes in absolute terms. They impose upon us the enormous responsibility of assuming the eve of our access to power.

The declaration of Zedillo as election victor, the last stage of the process, necessarily implies a qualitative assessment of the same, its adherence to the law, the practical conditions under which it developed, the degree of participation by the citizenry, the effectiveness of the vote, the resolution of challenges, the sanctions against electoral offenses, and the vote counting process.

This declaration must be rational, based on the law, and inspired by justice. It is the judgment that the representatives of the nation make on who should hold the office of the executive branch. Like every judgment, it must be based on reality, legal considerations, and ethics so it can be the expression of the common good.

Next we will assess what, according to our legislative group, signified the entire electoral process being evaluated today.

In order to be clear and precise, we will only address issues of principal importance in the belief that we reserve the right to expand our judgments and opinions.

Regarding the electoral register, we deem its existence positive; we deem the request for documental evidence for register changes positive; and we deem its connection to the domicile of voters positive.

We accept the fact that the electoral register was very consistent. Said instrument, the basis of the electoral process, must be perfected with listings reproducing citizens' pictures, which will ensure reliability and certainty in matching the voter with the issued listing. We deplore the selected exclusions and inclusions which, to some degree, still affect the electoral register.

Use of identification cards bearing pictures constituted a great step forward and a legitimate PAN triumph because it demonstrated that this process was technically and operationally feasible, based on the experience in Baja California. We maintain, without fear of being mistaken, that a trustworthy electoral register and nominal list bearing pictures will make future elections more accurate and trustworthy.

The incorporation of citizen advisers into the IFE [Federal Electoral Institute] General Council constituted a democratic advance. We also consider as healthy the opportunity that was afforded to replace certain citizen

advisers who turned out to be unfit due to their partisan association with local and district councils.

As for the professional electoral service, we think the inherited operations personnel, which displayed an unconditional loyalty to the system, constituted a nuisance.

The aleatory system used to select polling station officials was acceptable. We deplore selective notifications, irregular training, and the marked favoritism displayed by many officials for the official party.

The issue of contracting and access to the media is a matter of special concern to our party.

The fact that we had access to the media, especially electronic media, constituted a step forward. We think that the political trend should be for the law to more clearly regulate the rights and obligations of the contracting parties.

The manner and terms under which the national television stations conducted themselves, favoring the official party's candidate and downplaying the opposition candidates, is in the public domain and the conscience of its citizens.

It is true that equality is the balance of justice, and the law is its measure. But much higher than the legal guidelines are the ethical principles that guide our personal conduct toward the good of the nation. In the social communications media, ethics involves objective and honest behavior, especially from those individuals who wield greater economic and social power.

The shameless political favoritism displayed by some of the media toward the official party and its candidates suggests more of an economic and billing preoccupation—of self-protection and privilege—than an ideological or cultural preoccupation.

The adverse conduct of some businessmen did not result in the defeat of the opposition. In fact, it managed to offend the Mexican people by not allowing them to exercise their right of freedom to information and to vote freely and conscientiously.

Watch out! The people are getting tired of this.

The PAN believes in correcting mistakes, but if some people were to prove unyielding on the social communications issue, the perfection of the law and a revision of the framework of concessions would be topics for a national debate. PAN is committed to building a Mexico without lies.

We view a law to limit campaign spending as positive. It is the result of political goodwill. But the limits are so high that they are, in practice, unfair. Beside, it is an imperfect regulation because it does not contemplate sanctions. At an opportune time, we will propose an appropriate debate.

Also, we regard the following approved points as positive: the numbering of ballot stubs; the use of permanent ink; the singing of the ballot stubs; the installment of partitions and modules. All of these measures tend to guarantee secrecy and the right to vote. On the other hand, we must emphasize that all these matters can be perfected, above all, the signing of the ballots which should be obligatory, not optional.

As for the means to challenge, we express our recognition of the installation of the IFE's second court to make further revisions and to have more justice and legality.

Regarding electoral crimes, we say that the better descriptions of the types of crime, the creation of new definitions of crime, and the increase in the number of penalties for electoral criminals are major improvements. However, the delay in the creation of the special prosecutor's office and, above all, the lack of results again encouraged electoral impunity.

We believe it is fair to admit that there were some improvements, such as the suspension of government propaganda for such programs as Solidarity and Procampo. However, we point out the government's lack of morality as it implemented projects, delivered checks and property titles, and subjected services to the citizens' vote.

In addition, the suspension of political campaigns 10 days prior to the elections, the debates among candidates, and the opening of packages in district counts were also improvements. Since these improvements cannot be subject to presumptions, they must be incorporated into the laws.

The candidate debates, which were broadcast nationwide, helped create an open and democratic style in the political campaigns. Nevertheless, we deplore the official candidate's refusal to participate in the second debate. That is why the PAN believes that participating in the debates must be compulsory in every electoral process from now on.

We deem the Preliminary Electoral Results Program (PREP) as positive. We must point out, however, the negative side: Information did not flow constantly after the results of 15 percent of the polling stations installed throughout the nation were made public. Moreover, access to the PREP was restricted, and it was involved in scandals that have yet to be explained.

The figures remain as the final results of the elections, but they lack the people's full support. Once the unknown was explained, astonishment, skepticism, and doubts abounded.

We cannot fail to mention issues that questioned and made the electoral results conditional:

a. The PRI-government affiliation, which permanently translates into the diversion of public funds, favoritism, and notorious impartiality;

- b. The use of the national colors in electoral signs and official programs; a practice which, more than containing a subliminal message, is an obvious manipulation of citizens because it mixes partisan objectives with patriotic feelings;
- c. The despicable use of the PRI corporate structures to influence the citizens' vote; and
- d. The clearly unfair use of Solidarity and Procampo by running large advertisement campaigns.

The aforementioned issues, when combined, fully achieved their objective: ensuring that the official candidate won at any price.

For us at PAN, the conclusion of this analysis is that, despite the notorious irregularities already discussed—irregularities that will undoubtedly be brought up during the debate—the considerable participation by citizens, noticeable during the political campaigns and marked by the heavy voter turnout, is the only civic reward. This final result is to us a congruence of doctrine and law. We accept the rules of the game in good faith because we want to offer hope and a permanent path for a peaceful and democratic change to the Mexican people.

The nation's foremost good demands that, beyond the interests of individuals or groups, peace and harmony be preserved among Mexicans.

We will participate in this electoral college in a responsible fashion, aware of our duty to defend accomplishments and reject backwardness. We will not make a decision that will disqualify the whole process and its results because we are intellectually and politically honest, nor will we make a decision that will guarantee that the injustices and inequities that still exist will be ignored.

We are prepared to forge together a new accord that will lead the nation to the grand destiny it deserves.

Mexico City, 8 November 1994
LEGISLATIVE BLOC OF THE NATIONAL ACTION PARTY
56th LEGISLATURE
Deputy Antonio Lozano Gracia
Coordinator

Commerce Secretariat Taxes U.S., PRC Products

PA1311014994 Mexico City LA JORNADA in Spanish
11 Nov 94 p 55

[Words within italics as published]

[FBIS Translated Text] The Mexican Commerce and Industrial Development Secretariat (SECOFI) concluded yesterday a number of *antidumping* investigations from which it decided to "punish" with compensatory taxes tools imported from the People's Republic of China and polymers from the United States.

It ruled, however, that the accusations made by Mexican industrialists against the importation of Korean-made

refrigerators, regenerated cellulose fibers from France, Spain, and the United States, and laminated iron sheets from the United States were unfounded.

Concerning the tools from the People's Republic of China, SECOFI ruled that exporters from that country have sold the products to Mexican clients at a discriminatory price, causing "harm" to the national industry, an action for which it decided to establish a fixed compensatory quota of 312 percent on that product.

SECOFI decreed fixed tariff penalties of between 11.8-44.3 percent in its *antidumping* measure against polymers from the United States.

Regarding the Korean-made automatic refrigerators, the respective *antidumping* investigation concluded without establishing any compensatory quotas, "because the importation of refrigerators was not realized at *dumping*" prices, and the changes in the demand for this product were due to the changes in the price structure in the Mexican market due to internal competition, not to changes in the import prices.

Mexico Signs Taxation Accord With Singapore

PA1111025494 Mexico City NOTIMEX in Spanish
1627 GMT 9 Nov 94

[FBIS Translated Text] Mexico City, 9 Nov (NOTIMEX)—The Mexican Foreign Secretariat has announced Mexico has signed an agreement with Singapore to avoid double taxation and to prevent fiscal evasion on income taxes.

The Foreign Relations Secretariat has stated in a communique the negotiations of the agreement concluded on 20 July, when a Finance Secretariat delegation visited Singapore for that purpose.

The Foreign Relations Secretariat has stated the main objective of the agreement is to eliminate double taxation, which constitutes an excessive fiscal burden for Mexican investors who are conducting activities in Singapore and vice versa.

The agreement offers greater security and stability vis-a-vis fiscal matters to investors from the two countries, because it makes tax regulations clearer and valid. This measure guarantees fiscal regulations will be more permanent, it added.

The Foreign Secretariat has stated the agreement limits deduction rates regarding interests, dividends, and royalties, a limitation which implies a substantial reduction in the taxes contained in the laws of the contracting states.

Foreign Secretary Manuel Tello recalled during the signing of the agreement that Mexican President Carlos Salinas de Gortari, as part of his policy to diversify economic relations with the Asian-Pacific region, decided four years ago to open a Mexican Embassy in

Singapore. As a result, economic relations with Singapore have increased, and there is a series of investment projects under way. In addition, trade with Singapore has grown during these four years to an average annual rate of 47 percent, he said.

Business Leaders on Migration Issue, NAFTA

PA1111204594 Mexico City LA JORNADA in Spanish
10 Nov 94 p 3

[Report by Patricia Munoz Rios]

[FBIS Translated Text] Leaders of the country's management, commercial, and industrial areas advocate opening the North American Free Trade Agreement to include a section on migration, for which the Mexican and U.S. Governments would establish a suitable legal framework so the mobilization of workers takes place with full respect for labor rights and guarantees.

With the approval of reelected California Governor Peter Wilson's Proposition 187, it will be necessary to negotiate the inclusion of a section on migration issues in the NAFTA, which is feasible, because it is not an ironclad agreement, stated Antonio Sanchez Diaz de Rivera, president of the Employers Confederation of the Mexican Republic (Coparmex), and German Gonzalez, president of the Confederation of National Chambers of Commerce (Concanaco).

The National Association of Manufacturers (Canacintra) also demanded that the Mexican and U.S. Governments agree to establish a legal framework to regulate Mexicans' migration to that country and to respect our fellow citizens' labor rights.

The three business organizations also recognized that it is urgently necessary to sponsor a high, equitable, and sustained economic growth in Mexico to create sufficient productive jobs and prevent the departure of Mexican citizens to other countries.

"We live in a country of two or more speeds," where some regions are highly developed and others are backward, so it is necessary to achieve a consistent national development, stated Coparmex President Antonio Sanchez Diaz de Rivera, adding that it is urgently necessary to advocate economic growth as the only way to create jobs.

The businessman said it is necessary to implement "emergency" measures to lessen the effects of Proposition 187, although he rejected boycotts on Californian imported products.

Meanwhile, Concanaco President German Gonzalez said "Mexico must strengthen its position toward the United States, above all in dealing with California," adding that the approval of this proposition will affect bilateral relations, so it would be wise to negotiate the Mexicans' labor participation in the United States within the NAFTA framework.

The problem implies strengthening Mexico's position a bit, but the essential thing would be to have a migration agreement to regulate the flow of workers, the Concanaco president said.

He said the Concanaco council will hold a meeting to analyze if measures will be adopted against enterprises that support Proposition 187 in the United States and against Californian imports although, to begin with, it will be necessary to dissuade Mexican tourists who wish to visit that state, "because they may be mistreated for being Latin people."

Gonzalez added: The critical thing is the danger of having xenophobic reactions spreading to other states in the neighboring country, which is not imminent but cannot be ruled out.

The Canacintra believes the Mexican Government's main task is to carry out a "microeconomic revolution that transfers the macroeconomy's achievements to the majority of the country's manufacturing plants," and this entails expanding the internal market as the main strength and impetus for growth.

Also, a migration agreement must be negotiated "because Proposition 187 seriously affects the civil and human rights of a significant number of Mexicans who have found in the neighboring northern country a job source that U.S. society generates and sponsors.

"Nevertheless, approval of the proposition will not be enough to prevent Mexicans from enjoying their civil and human rights in the country and abroad, because Mexican workers' best endorsement has always been tenacious and productive work, which has strengthened the development of more than one sector of the economy," he added.

Fernando Cortina Legarreta, president of the Confederation of Industrial Associations (Concamin), also rejected Proposition 187 and said it is a racist, unconstitutional, and discriminatory measure for the Mexicans, who "improve the U.S. society's welfare" with the profits they produce.

He added: Approval of this initiative undermines the work force with which Mexico supports the Californian economy. Most of the people negatively affected by this are Mexicans who migrate based on the agricultural cycle, so it is unfortunate that those workers' contributions to that state's production will not be taken into consideration due to a racist attitude.

The Mexican Network for Action in Free Trade said the fact that the migration problem with the United States has worsened "can be attributed to the NAFTA negotiators, who did not want to include a section on migration," although this is an extremely important issue in bilateral economic relations.

"They opted to disregard the problem and they ignored the demands presented by various social groups, which

requested the inclusion of this point in the NAFTA," it was stated by the organization, which added that the Mexican representatives turned a deaf ear on this proposal, so they are directly responsible for the fact that the problem has worsened.

"It is now imperative that negotiations start on migration issues, and this cannot be neglected or postponed," the network said.

Secretariat Sources on Trade Talks With EU

PA1311014894 Mexico City EL FINANCIERO in Spanish 11 Nov 94 p 20

[Report by Georgina Tristan]

[FBIS Translated Text] Sources from the Foreign Relations Secretariat have stated the beginning of talks on a trade agreement, which could be an industrial free trade agreement, with Mexico is among the priorities the European Union has as far as foreign trade negotiations for 1995 are concerned.

This decision was made at the EU ministers meeting held in June, when it was also decided to begin negotiating the issue with the new Mexican Government.

The sources also have reported that the free trade agreement with Nicaragua is almost set and that possible free trade agreements with the EU and certain Central American countries, Guatemala, Honduras, and El Salvador, will be left pending for the next administration.

In addition, the informers have assessed that we and the EU could indeed sign a (U.S.-like) trade agreement similar to the one signed by Mexico, the United States, and Canada. This agreement would include chapters on investments, services, consultations, and a solution to controversies.

A European-styled agreement (paternariad), which is an economic partnership involving many sectors or a free trade agreement by sectors (which has never been put into practice, includes several sectors, and could include other sectors as they are needed) could also be signed.

The sources have stated, however, Mexico will not submit the first proposal but will wait until the EU makes the first move. They have even reported we could learn this month of the foundations on which this agreement between the EU and Mexico could be signed,

because the so-called "white books," issued by the European Commission establishing the policies to be followed by this trade bloc, are made public by this time.

The Foreign Secretariat sources have stated the free trade agreement between Mexico and Nicaragua is almost finished, but a political decision must be made on whether it will be signed by the current or the next administration. The free trade agreements signed with Costa Rica, Bolivia, and the Group of Three will come into effect in 1995. Concerning the free trade agreement with the aforementioned Central American countries, there are proposals only; we have not started negotiating yet.

The EU is the second largest foreign investor in Mexico and Mexico's second largest trading partner, purchasing almost 12 percent of Mexican exports and representing 15 percent of Mexican imports.

The WTO [World Trade Organization] Race is Very Close

Meanwhile, the race for the new WTO headship is very close, because as the latest poll was conducted more than two weeks ago among more than 70 of the 123 GATT members, 35 percent favored the candidacy of President Carlos Salinas de Gortari, 35 percent favored Renato Ruggiero, former Italian foreign trade minister, 20 percent favored Kim Chol-su, Korean trade, industry, and energy minister, and 10 percent were undecided.

The sources have assured, however, the Mexican president has the support of most countries for the time being and is preferred over the Italian candidate. They have said efforts to convince more nations to support Salinas' WTO bid will be made at the next APEC [Asian-Pacific Economic Cooperation] meeting.

They also have explained all Latin American GATT members are supporting Salinas, as well as the United States and Canada, although the latter two countries have not made their support official.

Another of the GATT internal polls concluded on 10 November, and everything indicated the three candidates were tied.

The selection of the new WTO head is included on the agenda, under "Sundry Issues," scheduled to be discussed on 9 December. In case the announcement by the director general of the new organization is inconclusive, the council could opt to expand the term of Peter Sutherland, to continue with the same candidates, nominate others, or to find a candidate with consensus.

Belize**Government Ratifies Tlatelolco Treaty**

PA1011205694 Mexico City NOTIMEX in Spanish
1606 GMT 10 Nov 94

[FBIS Translated Text] Mexico City, 10 Nov (NOTIMEX)— The Belizean Government has ratified its adhesion to the Treaty for the Non-Proliferation of Nuclear Weapons in Latin America and the Caribbean, it was reported today by the Mexican Foreign Secretariat.

The instrument for the agreement's ratification, also known as the Tlatelolco Treaty, was delivered to the Foreign Secretariat by Alfredo Martin Martinez, Belizean ambassador to Mexico, and Belize became the 29th nation to ratify the agreement.

The Mexican Foreign Secretariat said in a communique that the decision adopted by Belize reasserts the regional inclination for a genuine and non-discriminatory regime, which opposes a proliferation of large-scale destruction weapons.

During the Tlatelolco Treaty's 25th anniversary celebration, Belize signed the agreement that ratified today. Dominica, Saint Vincent and the Grenadines, Saint Christopher and Nevis have also adhered to the agreement within the last two years.

Article 4 of the treaty states the military denuclearization system will include an implementation zone of more than 20 million square kilometers, which include 33 independent states and a population of approximately 450 million.

Costa Rica**President: Proposition 187 Violates Human Rights**

PA1011211094 Panama City ACAN in Spanish 2023
GMT 10 Nov 94

[FBIS Translated Text] San Jose, 10 Nov (ACAN-EFE)—Costa Rican President Jose Maria Figueres today denounced Proposition 187, which denies basic services to illegals living in California, among other things, because "it violates human rights and the principle of solidarity."

"I cannot approve of any law that affects people by denying them opportunities," Figueres said during a news conference in which he described the proposition as "selfish." According to the Costa Rican president, Proposition 187, which was approved on 8 November, runs counter to the spirit of support and solidarity that is currently prevailing throughout the world.

El Salvador**President Seeks Meeting With Gore on Immigration**

PA1111213694 San Salvador LA PRENSA GRAFICA
in Spanish 11 Nov 94 p 3A

[FBIS Translated Text] President Armando Calderon Sol yesterday said he is reviewing steps to request a

meeting with Bill Clinton to defend the rights of Salvadorans who reside illegally in the United States.

The president said: "We are looking into this to determine whether it is necessary to go to Washington. We are looking into the possibility of being received by President Clinton to defend our compatriots."

This comes in the wake of a request that has been presented to Mexican authorities to have them arrange a private meeting between the president and U.S. Vice President Al Gore when the two leaders travel to Mexico on 1 December to attend the inauguration of Mexican President-elect Ernesto Zedillo.

Gore will be informed of El Salvador's position on Proposition 187, which has been approved by the state of California, and the temporary U.S. residence of undocumented Salvadorans who are threatened by the 31 December expiration of the Deferred Forceful Deportation (DFD) agreement.

Proposition 187 bans public services for undocumented immigrants and their children.

According to Calderon Sol, the undocumented aliens issue may be broached jointly by Central America with the Clinton administration at the Summit of the Americas, which is slated to be held next month in Miami.

"This is one of our initiatives, because El Salvador is the most concerned country because it has the most citizens residing in the United States. We are committed not to abandon our fellow citizens. They must be assured that the government will assist them in every way possible," he commented.

In addition, Calderon Sol said Ana Cristina Sol, Salvadoran ambassador to the United States, has flown to Los Angeles, where, after meeting with leaders of Salvadoran residents organizations, she will review legal mechanisms to help ease problems resulting from Proposition 187 and the expiration of DFD.

The president admitted that El Salvador is not ready to receive thousands of Salvadorans who reside illegally in the United States and who would be expelled if DFD is not extended. Nevertheless, the president explained he has obtained a commitment from U.S. officials that there will be no mass deportations.

Despite this, if mass deportations occur, "I can say to my compatriots that we are all going to eat here, even beans and tortillas, because El Salvador belongs to everyone, and, no matter what, we are going to receive them and they will be welcome."

President, Others React to Proposition 187

PA1111224794 San Salvador LA PRENSA GRAFICA
in Spanish 10 Nov 94 pp 2A, 3A

[FBIS Translated Text] President Armando Calderon Sol yesterday urged the U.S. Supreme Court of Justice to

annul Proposition 187, which denies health and educational services to illegal immigrants in the state of California. The president voiced his concern over "the triumph of Governor Pete Wilson," because he is the promoter of the initiative against which a lawsuit was filed yesterday, charging it is unconstitutional.

"We think that discriminating against immigrants and denying them basic services essential for life, services such as those related to health and education, constitutes a violation of human rights," the president said. Calderon Sol also urged immigrants, especially Salvadorans, to reject violence and instead use legal mechanisms to contest the proposition.

Meanwhile, Vice President Enrique Borgo Bustamante said Proposition 187 will prompt a displacement of immigrants, especially Salvadorans, into other states, but that it will not lead to "mass" deportations to our country. Borgo said the country will continue to strive to prevent deportations, and he ruled out short-term negative effects in El Salvador, because the proposition calls for a suspension of health and educational services for immigrants, not for their deportation. The vice president also pointed out that El Salvador respects the sovereign decision of the United States, but he urged all sectors of the country to find the necessary solutions to meet the needs of those compatriots who decide to remain in El Salvador or return from the United States.

Lawsuit Filed

In this regard, LA PRENSA GRAFICA consulted Ana Cristina Sol, the Salvadoran ambassador to the United States, over the telephone yesterday. She said, "The immigration problem is serious in the United States, and evidence of this is the approval of Proposition 187 by about 60 percent of the voters."

Ambassador Sol added that the Differed Forceful Deportation program (DFD)—which is not the same as Proposition 187—is scheduled to expire on 31 December. She noted that the administration of U.S. President Clinton has already said it is studying ways to help El Salvador, but that it has not said whether it will do so by extending DFD. It did promise, however, that there will be no mass deportations. The ambassador said government efforts will continue along with those organized by the Salvadoran community in the United States. She added that a lawsuit was filed yesterday to declare the proposition unconstitutional, and, in turn, should the proposition become legal, it would not go into force for a long time.

Meanwhile, Gerardo Sol Mixco, Salvadoran consul general in Los Angeles, said that despite approval of the proposition, calm reigns in California and there have been only peaceful demonstrations. The diplomat told LA PRENSA GRAFICA that Salvadoran authorities will offer their moral support and join efforts with our compatriots to seek the annulment of the proposition through legal means. He added that several social and religious organizations have filed lawsuits in California

courts, adding that they might also file lawsuits in federal or international courts. The official reminded our compatriots that they are not alone and urged them to unite to achieve their goals.

Deputies Worried

Meanwhile, Arena [Nationalist Republican Alliance] Deputy Rene Figueroa described the proposition as "running counter to history," adding that it is a form of racial discrimination that violates the human rights of immigrants.

He added: "Above all else, the proposition is the whim of Pete Wilson, because it does not reflect the thinking and feelings of Republicans, and therefore, I urge Hispanics residing in the United States to file a constitutional challenge against the proposition before the U.S. Supreme Court." The legislator also said there is confusion in the country over the differences between Proposition 187 and DFD, which expires on 31 December but could be extended.

Proposition 187 limits health services and education, but only in California. However, it does not imply a deportation of compatriots, and, therefore, it does not directly affect the majority of Salvadorans. However, if the DFD is not extended, it could result in difficulties for our country.

Figueroa noted: "Not much can be done about Proposition 187. However, with regard to the DFD extension, the necessary efforts are being made, and it is possible that it will be extended. A decision on the DFD rests with the executive branch, basically on Attorney General Janet Reno."

Orlando Quinteros, leader of the FMLN [Farabundo Marti National Liberation Front] parliamentary bloc, said Wilson's Proposition 187 "violates human rights—rights recognized internationally, as well as in the U.S. Constitution." He also said Proposition 187 is worse than "apartheid." He added that it is not certain whether DFD will be extended, and, therefore, serious consequences are in store for the country, because many Salvadorans could be up for deportation.

Quinteros explained that with Proposition 187, children "will be expelled from schools and will be denied access to the most basic health services, including vital vaccinations." Another equally grave aspect is that if DFD is not extended, many families would be deported and would have to return to El Salvador to face an uncertain future.

Quinteros added that on Thursday [10 November] he will submit a petition before the Legislative Assembly requesting that it declare "an emergency" session in the face of problems Salvadorans are facing in the United States. He also will propose the appointment of a legislative delegation to travel to the United States as soon as possible.

The lawmaker urged President Calderon Sol to meet with Bill Clinton personally to ask him to extend DFD, thereby preventing the violation of the human rights of migrants, as well as preventing an economic catastrophe in the country.

Unfair Proposition

Supreme Court Justice Mario Antonio Solano expressed surprise over the approval of Proposition 187, because it would deny health and educational services to people in a developed country. Moreover, he said the Salvadoran Supreme Court has asked U.S. Attorney General Reno for an extension for our compatriots to enable them to legalize their situation.

"The court feels that the Salvadorans' devotion to hard work and good behavior make them worthy of favorable treatment. The situation of the illegal immigrants in the United States is very delicate, and a mass deportation would adversely affect our economy," Solano remarked.

Former Foreign Minister Ricardo Acevedo Peralta said the approval of Proposition 187 is unfair, because we do not believe it reflects the general mood in the United States.

"The North Americans should look at the exodus to their country with a more humane and flexible view," Acevedo Peralta said, predicting that this measure will bring about negative consequences for the United States. He also expressed hope that the Clinton administration will extend DFD, because it could be viewed as a partial compensation for the approval of Proposition 187 in the 8 November elections.

Central Reserve Bank President Roberto Orellana Milla said the proposition will have a moderate effect on the country's economy, because it will reduce the remittances being received from citizens who are in the United States.

In any case, the measures affecting our compatriots will have a moderate effect on the country's economy, because they will not greatly affect the availability of foreign exchange. Regardless of the situation, we estimate that our currency will remain stable because of current coffee prices.

Guatemala

More Violence, Disturbances Reported in Capital

Bulletin on Restoration of Service

PA1011220094 Guatemala City Teleonce Television in Spanish 1900 GMT 9 Nov 94

[Bulletin issued by the Guatemalan Transportation Coordination Board in Guatemala City on 9 November; from the "Telepress" newscast—read by Transportation Coordination Board spokesman Rafael Chincilla; recorded]

[FBIS Translated Text] We hereby release the following bulletin:

The bus and microbus owners hereby announce to the Guatemalan people in general:

A. As a result of violence directed at the urban transportation units, it was decided that transportation services would be suspended—a decision that resulted in unfortunate consequences of which we all are aware.

B. The Government Ministry has implemented the necessary safety measures to safeguard lives, assets, and services. In relying on these guarantees, which are indispensable for the orderly operation of transportation services, we have decided:

1. To restore urban transportation services effective today at noon, guaranteeing that all services will return to normal during the afternoon hours, with the following fares: normal service, 85 centavos; preferential service, 1.10 quetzales.
2. To apologize to the people for all of the trouble that this suspension has caused, and to request cooperation and understanding in an effort to allow us to work with tranquillity and efficiency.
3. To ask all drivers to return to their respective depots as soon as possible to promptly restore service.

[Dated] Guatemala City, November, 1994

Barricades Erected; Many Injured

PA1011223594 Guatemala City Teleonce Television in Spanish 1900 GMT 10 Nov 94

[From the "Telepress" newscast]

[FBIS Translated Text] Burning tires, property damage, injured people, chaos, traffic congestion, and other problems were reported in Guatemala City this morning on the eighth day of the transportation crisis.

In both the central areas and the outskirts of the capital, groups of demonstrators erected barricades of burning tires. In some cases, hooded men hurled stones at public transportation and private vehicles, injuring many people.

Barricades were erected at the intersection of Elena Avenue and 10th Street, as well as at the entrance to La Berena neighborhood, El Granizo, and other areas. One of the most serious incidents occurred when vendors and shoppers at the Guarda Market blocked the intersection between the Roosevelt and Fifth Avenues, disrupting traffic. Members of youth gangs infiltrated the protest, causing property damage. Some passers-by also were attacked.

The absence of the National Police once again was brazenly obvious, despite the seriousness of today's incidents.

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[Guatemala City Teleonce Television in Spanish in the same "Telepress" newscast at 1900 GMT on 10 November, broadcasts a one-minute, announcer-read report that adds: "Today is a day of tragedy in Guatemala City. As we said a few minutes ago, a new wave of riots is taking place in the downtown area this afternoon. Acts of vandalism, similar to ones that have occurred in other parts of the capital over the past three days, are being reported at the intersection of 11th Street and 11th Avenue and in areas surrounding the Legislative Palace. After several calls, riot police finally arrived at the scene and are proceeding to bring the rioters under control."]

Judge Announces Intervention in Transport

PA1111230294 Guatemala City LA REPUBLICA in Spanish 11 Nov 94 p 3

[Report by Cesar Gaytan M.]

[FBIS Translated Text] Judge Ricardo Nery Chinchilla Barrientos has announced that judicial authorities last night approved the intervention in urban transportation and named the municipal urban transportation director as the person in charge of the intervention. In addition, Army and police participation has been ordered in this action.

Chinchilla said National Police General Director Salvador Figueroa and Defense Minister Mario Enriquez have been informed of the decision. He also confirmed that transportation fares will be returned to lower levels (65 centavos for regular service and 90 centavos for special service), according to an order issued by the municipality.

Under the order, the Army and police shall conduct all actions within a framework of upholding human rights, as stipulated by Jorge Francisco Palacios Aldana, who will oversee the intervention. Public security forces will provide support during the so-called seizure of buses that will take place today at various urban transportation facilities, and they also will guarantee security while the buses are operating in the city, Chinchilla noted.

Jorge Palacios, who is responsible for the intervention, confirmed that those personnel assigned tasks in connection with the intervention worked throughout night and early this morning to put some 3,000 buses into operation by morning. In line with this intervention, 29 people will be assigned duties to administer the operation of the cooperatives and urban transportation companies. Palacios did not rule out the possibility of militarizing all services, adding that this will depend on the conduct of those groups that yesterday staged a large number of demonstrations and rioted in many areas of the city.

President Mobilizes Army

PA1211041894 Guatemala City Radio and Television Networks in Spanish 0315 GMT 12 Nov 94

["Message to the Nation" by President Ramiro de Leon Carpio in Guatemala City on 11 November—live or recorded]

[FBIS Translated Text] Fellow Guatemalans: In light of recent events resulting from the illegal measures adopted in an irresponsible and unilateral manner by urban transportation businessmen in the capital—measures that have adversely affected the entire population—I address you to report the following:

Based on Article 120 of the Political Constitution of the Republic, and in observance of a court order, the municipality of the capital city has intervened in urban transportation enterprises in an effort to immediately resume bus service, the lack of which has either directly or indirectly caused large losses, including several irreparable losses, such as the lives of several citizens.

This morning, in my capacity as president of the Republic of Guatemala and commander in chief of the Army, I instructed the Armed Forces to support the municipality in every way possible in this intervention and thereby guarantee transportation services, as well as public order. In the wake of these steps, at noon today transportation businessmen and the Guatemala City mayor reached an agreement to resume service while maintaining the same fares of 65 centavos and 90 centavos, respectively, which in turn should resolve the problem.

With this agreement, the cause of the conflict has vanished. In my capacity as president of the Republic, I hereby guarantee before the people of Guatemala the government's firm determination to act with composure and within the framework of the law, but also with firmness and without extended deliberation, in order not to permit under any circumstances more acts of vandalism, such as those perpetrated in the past few days by gangs of thugs and people who have been manipulated. These acts are evidently designed to lead to bloodshed, and later, they were to be used as grounds to accuse the authorities of repression and human rights violations.

The state has the authority and the obligation to protect honest citizens. This includes taking action against the mobs and against those who, as in this case, have taken advantage of the transportation problem to take to the streets and destroy other people's property; to engender heartache; and to endanger the lives of men, women, and children.

I am warning the hooligans and other thugs that I will not tolerate such acts of vandalism. I also have ordered the reinforcement of all state security services, which have been placed on a permanent state of alert.

From here on out, and until further notice, the Guatemalan Army will be patrolling the streets to guarantee tranquillity. It has specific instructions to act as is needed against those who continue to openly challenge public order and security. These duties of the Army are specified in the Constitution of Guatemala.

This same Constitution guarantees equal rights for all Guatemalans, but it also includes obligations, and,

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apparently, the criminals have forgotten this. Those who act outside the framework of the law will face justice.

As a former human rights ombudsman and as a lawyer, I know where the rights of one person end and where the rights of others begin. Unfortunately, some people in Guatemala have confused the concept of human rights with impunity before the law. They have confused democracy with anarchy and liberty with libertinism.

Law-abiding citizens, just as your patience has been exhausted, my patience also has reached its limits. I am on the side of honest citizens, and beginning today I will resort to every means available to the state to restore order.

I also want to inform you that in view of all of these regrettable developments, I think it would be completely unadvisable for the president of the Republic to leave the country at this time. Therefore, and despite the great importance for Guatemala of my scheduled trip to Europe, I have decided to postpone it. This trip, which would have lasted four working days, had two goals—to visit the recently elected European Parliament to secure its support for our peace process; and to have the honor, along with my wife, of sharing with His Holiness Pope John Paul II our efforts to achieve peace and to secure his support and solidarity for the successful completion of this process.

I profoundly regret having been forced to make this decision, but I did it for many reasons, particularly because of the genuine daily problems being faced by the Guatemalan people, and, in this case, the residents of the capital who need transportation and safety to reach their workplaces; they take priority over any international relations activities, although these, too, are important for our country.

I will stay in my country to fulfill my obligations of defending the interests of those whom I respect the most, whom I love the most, and to whom I am obligated the most—in other words, you, the people of Guatemala.

In conclusion, I thank those who have placed alternative means of transportation at the service of the citizens in an act of solidarity. This was another example of the spirit of solidarity that exists among us. I regret, however, the consequences of the acts of vandalism committed by malevolent Guatemalans who only seek confrontation and chaos in these difficult times were are facing.

Armed with the law, we will punish the culprits, restore order, and reestablish the tranquillity that the citizens require. You can rest assured that I will implement all of the measures and actions the circumstances may warrant.

My fellow Guatemalans, we have already overcome other crises with satisfactory results. We have overcome other challenges and other difficulties. I committed

myself to rescue, preserve, and strengthen the institutionality of the democratic system, and I accomplished this. I vowed to purge the state organizations, and today they have been purged. The Guatemalan people asked me to dismiss the deputies, and they are gone; and also the magistrates, and they, too, are gone.

Today, there is a new Congress and a new Supreme Court of Justice, both of which have been fully strengthened. Today, the Guatemalan people are asking me for security, and here and now, I promise you, dear Guatemalans, that you will have that security.

Many thanks and a good night to you.

Security Forces Raid University

PA1211044494 Hamburg DPA in Spanish 0416 GMT
12 Nov 94

[FBIS Translated Text] Guatemala City, 11 Nov (DPA)—Government security forces tonight (local time) raided the university campus located in the southern part of the capital—an area in which disturbances prompted by hikes in urban transportation fares have taken place.

Soldiers entered the National University grounds and were met by stone-throwing students. The security forces, in turn, used tear gas against the students. Shots were heard throughout the area, along with sirens from fire trucks dispatched to extinguish burning tires and to remove other barricades placed to block the authorities' access to the area.

The sweep by security forces took place just after President Ramiro de Leon Carpio announced the Army's mobilization to control the situation following a week of popular demonstrations and acts of vandalism attributed to "young hoodlums."

Firefighters said many people were injured, mostly students, during the sweep by security forces, which seized control of strategic points on the university campus.

Student Dies of Injuries

PA1311042194 Mexico City NOTIMEX in Spanish
0215 GMT 13 Nov 94

[FBIS Translated Text] Guatemala City, 12 Nov (NOTIMEX)—Mario Lopez, a student at Guatemala's San Carlos State University, who was injured during a demonstration yesterday protesting an increase in bus fares, died in this capital today.

Lopez received more than 16 blood transfusions, suffered three respiratory failures, and finally died according to Roosevelt Hospital's medical report.

The San Carlos University Council and the Student Association at the university condemned what they considered the "assassination" of Lopez, who was hit by a bullet the night of 11 November.

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The young man was participating in a student demonstration rejecting an agreement reached between the government of President Ramiro De Leon Carpio and the transportation sector that ended a bus transportation strike, which lasted 10 days.

The transportation crisis left a total of three people killed, 30 injured, 150 arrested, and approximately 23 torched buses according to police reports.

The incidents took place a few days before Sunday's 34th anniversary of the events that led to the emergence of the guerrilla organization in Guatemala.

The Army and the police, who dispersed the student demonstration, in which two other people were seriously injured, denied tonight their involvement in Lopez' death.

Church, Unions Condemn Security Forces

PA1311020894 Mexico City NOTIMEX in Spanish
0027 GMT 13 Nov 94

[FBIS Translated Excerpt] Guatemala City, 12 Nov (NOTIMEX)—The Catholic Church, the Association of University Students, and the Teachers Union condemned today the "brutal" attack by security forces against student demonstrators yesterday that left five seriously injured.

Three university students have been taken to Roosevelt Hospital in Guatemala City. The student association has urged the people to come to the hospital to donate blood, because the youths, who have sustained bullet wounds, are in serious condition.

Students gathered across from the state-run San Carlos University (USAC) the night of 11 November to protest against the agreement reached between the government and transportation businessmen. This agreement, the students argued, harms the entire population.

The students asked the government for stronger penalties against the businessmen for suspending service for 10 days and for increasing, without the authorization of the municipality of Guatemala City, transportation fares, "swindling the people."

The police and the military went to the site to dismantle the student demonstration. A "Cherokee" truck infiltrated the clash which took place between the two groups, according to eyewitness reports, and armed civilians, who were inside the vehicle, began shooting at the students. [passage omitted]

Bus Service Resumes; Protests End

PA1211164694 Panama City ACAN in Spanish 1526
GMT 12 Nov 94

[FBIS Translated Excerpt] Guatemala City, 12 Nov (ACAN-EFE)—Public transportation was restored in Guatemala City today following a 10-day strike that resulted in at least 12 dead, more than 150 injured, and

losses totalling millions of quetzales, all of which forced the government to order military intervention.

Buses are following their normal routes throughout the capital, thus putting an end to street demonstrations that were prompted by the bus owners' decision to raise fares 22 to 30 percent without authorization, a measure which ultimately did not go into effect.

Violent disturbances were still being reported at San Carlos University yesterday, when police broke onto the grounds to dissolve a demonstration. Several students who had not learned of an agreement between the municipality and the bus drivers and owners were injured, and about 20 of them were arrested by security forces.

Mayor Oscar Berger signed an agreement with bus owners exempting them from taxes for the next eight months in exchange for their resuming service. [passage omitted]

The private sector experienced considerable economic losses due to the destruction caused by youth gangs, which took advantage of the union's protests against the fare increase announced by bus owners. More than 200 gang members were arrested by security forces, according to preliminary reports.

For the moment, the public transportation crisis has been resolved. The municipality will discuss with bus owners the possibility of unfreezing fares in January.

President on Visit by Zedillo, Proposition 187

PA1311042694 Mexico City XEW Television Network
in Spanish 0430 GMT 10 Nov 94

[Telephone interview with President Ramiro De Leon Carpio; place not given; by Jacobo Zabłudovsky in Mexico City; from the "24 Hours" newscast—live]

[FBIS Translated Text] [Zabłudovsky] We have established communication with Guatemalan President Ramiro De Leon Carpio. Good evening, Mr. President.

[De Leon] Good evening.

[Zabłudovsky] What will be Guatemala's position at the Miami summit, which will be attended by all continental heads of state and government? Will Guatemala and the other Central American governments present a single position?

[De Leon] Yes, of course. The Central American countries have for some time held a single position, not only on economic integration but on social and political areas as well. I can even say the unity of the Central American presidents had never before been so firm and consistent. We are acting as a bloc in all areas. All of the area countries will share a single, unified position in this particular instance.

[Zabludovsky] Ernesto Zedillo was declared president-elect of Mexico this afternoon. He will visit your country in about 10 days. About what do you plan to talk with him?

[De Leon] President-elect Zedillo's visit to Guatemala is very important to us. I will discuss political and economic matters with him. The two countries have been broaching a number of areas. Relations between Mexico and Guatemala are excellent, but we believe they can be steadily improved. Regarding politics, we will discuss the dialogue between the URNG [National Guatemalan Revolutionary Unity] and the Guatemalan Government, a dialogue in which Mexico has had a special participation. We appreciate Mexico's participation, which has made it possible for us to hold negotiations in Mexico. This is one of the areas Zedillo and I will touch upon.

We will also discuss economic matters, including the free trade of certain products and the trade balance between the two countries. In addition, we will talk about the free movement of people across the borders between the two countries and electric energy production and interconnection between Mexico and Central America. Zedillo's visit is important to us in light of Mexico's relations with Central America, particularly with Guatemala.

[Zabludovsky] Mr. President, Proposition 187 was voted and approved in California yesterday. This proposition affects not only Mexicans and all illegals and their children but many Guatemalans as well who live in California. What do you think about this proposition?

[De Leon] I labeled the proposition inconceivable as soon as I heard of it. It is incredible someone has proposed such an inhuman and crazy idea now that we are about to enter a new century. Worst of all, some people approved it. When we think such a law will affect the health and education of children who are not responsible for the fact that they were born of people who do not meet the proposition's requirements, we wonder whether we are regressing regarding respect for human rights.

This point is particularly true of the United States, a country which has a democratic system and which often points to human rights violations in other countries. I wonder, as did President Clinton, President Salinas, and the Central American presidents, why should anyone deny people their human rights, including health and education, which are essential for the people's identity. We reject and disagree with this law altogether. This measure is something about which I will have to consult with my fellow Central American presidents, because we will participate in the coming continental meeting to be held in Miami.

Guatemala-Chiapas Accord on Migrant Workers Signed

PA1211164294 Guatemala City LA REPUBLICA in Spanish 9 Nov 94 p 12

[FBIS Translated Text] Anabela Morfin, labor and social security minister, announced yesterday that the document containing the nature, functions, attributes, and

procedures of the Chiapas-Guatemala Regional Bilateral Commission on migrant farm workers was signed to avoid violations of the rights of Guatemalans working temporarily in Mexico.

The document, which was signed in Tuxtla Gutierrez, Chiapas State, by Morfin, Oswaldo Waldemar Cuevas, Guatemalan general consul in Tapachula, and the governor of Chiapas State, gives legal status to the Commission, which was created upon recommendation from the first international forum on labor rights of Guatemalan migrant workers held in October 1992.

The bilateral commission will serve as a link between the Guatemalan and Mexican Government entities and is tasked with proposing and monitoring compliance with the bilateral labor agreements between Chiapas farmers and Guatemalan temporary field workers.

According to the minister, the objective is to establish mechanisms for preventing labor law violations by the two sides and to protect the rights of field workers and farmers. Complaints of violations of either the workers' or farmers' rights can be lodged before the Guatemalan labor authorities or the appropriate Mexican authorities.

Government, URNG To Meet Again 27-30 Nov

PA1111032594 Madrid EFE in Spanish 0726 GMT 10 Nov 94

[FBIS Translated Excerpt] Mexico City, 10 Nov (EFE)—The Guatemalan Government and guerrillas will meet again from 27 to 30 November, after failing to reach an agreement on the talks that ended yesterday, UN Moderator Jean Arnault reported.

The government and the Guatemalan National Revolutionary Unity (URNG) had held a closed door meeting since 4 November at the Valle de Bravo tourist resort, located 100 km from Mexico City, to discuss the "identity and rights of Indian peoples."

The meeting ended yesterday without a final agreement on this point, which is regarded as crucial toward the advancement to a final solution to Central America's oldest armed conflict.

In a communique released last night, the UN representative announced the two sides will meet again soon to continue analyzing the key topic of the meeting.

The sides discussed at length the proposal Frenchman Arnault submitted on behalf the United Nations.

Arnault acknowledged the need at the conclusion of the meeting to further the discussion of and reflection on topics which, according to the two sides, must be included in the next round of talks.

The government and guerrilla delegates decided before the next meeting to hold prior meetings to analyze preliminary aspects of the meeting and the points that may be included on the agenda. The analysis of this

point may conclude in the third round of talks, which, according to sources close to the negotiations, may be held in some Central American country. It was reported after the meeting that one of the topics in which the sides are farthest apart is the rebels' demand for a profound structural reform of the Guatemalan state, in which the demands by the Indian population are elevated to the constitutional rank. The URNG feels it is indispensable to elevate to the constitutional rank the topics of the defense of the identity, the political autonomy, and the definition of the recognition of the Maya people.

The two sides agreed on 24 October to continue discussing this point in order to submit to a consultation by their grassroots the proposed agreement drafted by the UN delegation.

Identifying the rights of Indians refers to the political, social, and economic rights of Guatemala's Indian groups, which comprise 60 percent of the population. This topic is one of the major ones on the agenda signed on 28 March at the Mexican Foreign Secretariat. The agenda set a timetable to discuss various aspects of the peace process so that a peace accord can be signed before December. [passage omitted]

Nicaragua

Foreign Minister Speaks Against Proposition 187

PA1011161794 Managua Radio Nicaragua Network in Spanish 1200 GMT 11 Nov 94

[From the "News 2000" newscast]

[FBIS Translated Text] The government speaks out against Proposition 187, which violates the rights of immigrants in California. Foreign Minister Ernesto Leal yesterday spoke out against Proposition 187 because it violates the human rights of Nicaraguans and of all the Latin Americans who reside illegally in California, by denying them access to public education and health services. The proposition, said the foreign minister, attempts to deny access to schools and health services to Nicaraguans and other citizens of the world who are illegally residing in California. We believe that this is not the way to solve the problem of the immigrants. What should be done is to strengthen democracy in Latin America and cooperation for the development of our nations. I hope this proposition will not enter in force, Leal noted.

FSLN Terms Proposition 'Racist'

PA1311042394 Managua BARRICADA in Spanish 12 Nov 94 p 8

[FBIS Translated Text] Yesterday, the Sandinist National Liberation Front [FSLN] described as "racist and a violation of human rights" the recent approval of Proposition 187, which denies illegal immigrants health and education services.

A National Directorate communique issued yesterday following a regular meeting expresses its "serious concern over a law that shows a racist attitude in the United States and which will undoubtedly affect thousands of fellow Nicaraguans who live in California. [no closing quotation mark as published]

Sixty-Thousand Nicaraguans Will Be Affected

At least 60,000 Nicaraguans live in California according to government data. The FSLN National Directorate demands that the government take the necessary measures to prevent right-wing radical Governor Pete Wilson from deporting illegal Nicaraguans.

The National Directorate also urges the U.S. parties, Congress, and government to prevent, through all means available, that law from becoming a norm in the other states and urges the U.S. Supreme Court to heed the judicial claim declaring Proposition 187 as unconstitutional.

Foreign Ministry Denies Breaking Ties With Cuba

PA1411154394 Managua Radio Nicaragua Network in Spanish 1200 GMT 14 Nov 94

[From the "News 2000" newscast]

[FBIS Translated Text] The Nicaraguan Foreign Ministry issued a communique yesterday saying that the Cuban Embassy in Nicaragua must return the house it is occupying to its legitimate owner, Mrs. Azucena Castillo Barquero, as a court ruling states.

The Nicaraguan Foreign Ministry has denied that diplomatic relations have been broken with Cuba adding that the government not only has the duty to respect the diplomatic immunity of embassies but also has the constitutional duty to grant protection to Nicaraguans if their rights are violated by the embassies accredited in the country. Diplomatic immunity should never be interpreted as impunity, according to the Foreign Ministry communique.

Daniel Ortega Decries Deputies' Meetings With Right Wing

PA1111015494 Managua Canal Cuatro Television in Spanish 0400 GMT 9 Nov 94

[Report by Lucy Castillo from the "Extravision" newscast—passages within quotation marks are recorded]

[FBIS Translated Text] For the first time ever, former President Daniel Ortega has publicly denounced that Sergio Ramirez and a group of deputies elected with Sandinist votes have been meeting secretly with right wing politicians.

Daniel Ortega, secretary general of the FSLN [Sandinist National Liberation Front], made that denunciation during the ceremony marking the 18th anniversary of the death in combat of FSLN founder Carlos Fonseca Amador.

[Ortega] "We have precise information these meetings have been held. Several meetings have been held in the house of former Ambassador Orlando Castillo, next to Ticuantepe. Alfredo Cesar, Luis Sanchez Sancho, as well as Cesar's aide, Carlos Siles, Sergio Ramirez, and Jose Leon Talavera have participated in these meetings.

"They have been negotiating matters pertaining to the constitutional reforms, making concessions to the right. They have also conducted negotiations on the election of the National Assembly Board of Directors, negotiations which they have denied in the past when we raised our concern at the legislative wing. They have lied to all Sandinist deputies or most Sandinist deputies who are acting in good faith. These people have been lying to Sandinist deputies, who were told no secret negotiations were being conducted. They are lying to the people when they say no secret negotiations are under way. Indeed, there are secret negotiations under way.

"In a meeting they held yesterday, they discussed the possibility that Alfredo Cesar may occupy the National Assembly presidency once more and the person who will hold the vice presidency. They are discussing that matter because Cesar wants to be National Assembly president once more.

"Meanwhile, Guzman wants to preside over the National Assembly once again. They are seeking, at the last minute, to place Luis Sanchez as first vice president of the National Assembly and Alfredo Cesar as second vice president [sentence as heard]. They want to include Jose Leon Talavera in the Assembly Board of Directors."

Daniel urged Sandinist deputies not to allow themselves to be manipulated by the leaders of the Sandinist legislative wing:

[Ortega] "From this Plaza, in memory of Carlos Fonseca, I want to call on Sandinist deputies not to allow themselves to be dragged by these maneuvers to deliver the National Assembly Board of Directors to right wing forces. This plot will adversely affect the interests of the Nicaraguan people, the interests of workers, the interests of the poor. [applause]"

In a speech filled with popular emotion, the Sandinist leader explained the people will be forced to rebel if Laws 85, 86, and 88 are not respected.

[Ortega] "If they continue trying to take properties away from the poor, as they have been doing up to now, because they seek to take properties away from the poor who do not have money for an attorney, to record their properties, or pay a judge—there are some corrupt judges—what will be left for us to do? If they continue with this attitude, we will be forced to rebel to defend the interests of the people. [applause]"

"If they do not respect Laws 85, 86, and 88, which were promulgated by the revolutionary government that we presided over, the people on the streets, in the mountains and villages will see to it these laws are respected."

Thousands of Managua residents were present at the ceremony, in which Orlando Pineda was presented with the Order of Carlos Fonseca Amador for his continued work in literacy campaigns.

BARRICADA Journalists Fired Over Accusations

PA1011182794 Managua Sistema Nacional de
Television Network in Spanish 0200 GMT 9 Nov 94

[Report by Erica Ramirez for the "National Newscast"]

[FBIS Translated Text] BARRICADA journalists have been fired en masse. At least 16 were fired today without being allowed to negotiate their labor demands. Approximately 10 journalists have turned in what were practically their last notes. Apparently, the straw that broke the camel's back were the accusations they made to the National Assembly's Human Rights Commission. This was confirmed by a source close to the orthodox leadership of the Sandinist National Liberation Front [FSLN].

When the newspaper's new leadership recently assumed its post, it was stated that no journalist would be fired but, a few days later, there was talk about a negotiated dismissal, or gentlemen's pact—which was not fulfilled.

[Begin recording] [BARRICADA Director Lumberto Campbell] We will recognize the rights they are entitled to as dismissed employees. In other words, we will recognize all their benefits and we will give them 15 days' pay. I think this is a fair, reasonable thing.

[Journalist Juan Jose Lacayo] This is incorrect, because we have helped build every wall. Every computer in this newspaper outfit and all the machines—we have paid for all this. The FSLN never made any investment here.

[Journalist Alfonso Malespin] Moreover, we demand that the FSLN recognize the BARRICADA workers' ownership rights in this newspaper, just as it has recognized the workers' ownership rights in other areas, in other enterprises. The newspaper was not only founded by the journalists; it was also built up with their efforts and work in the past 15 years. [end recording]

The journalists, who have worked a sizeable part of their lives in this media, have even been denied the right to pick up their personal belongings—as in Sofia Montenegro's case.

[Begin Montenegro recording] This is an abuse because, whether or not the new BARRICADA owners like me, the fact is I have a right and I will demand it. [end recording]

The situation does not end there. The BARRICADA owners got rid of Onofre Guevara, who also received his separation notice—which was preceded by censure of an article that apparently reflected his political thoughts.

[Begin recording] [Guevara] I think I have the right to do so. However, this censure is totally unrelated to the contents, because the contents of the article represent an

analysis of what I consider a doubtful victory of the democratic left, when it violently seized BARRICADA.

[Journalist Sergio Cruz] The newspaper BARRICADA is being used as a rostrum to attack other people.

[Ramirez] Who would be those people?

[Cruz] Well... [pauses] in any case, people who do not agree with the group that currently controls the FSLN. [end recording]

Today the FSLN faction at the National Assembly criticized one of the newspaper's latest editions in which they are reportedly accused of being traitors.

[Begin FSLN Deputy Dora Maria Tellez recording] In 24 hours, a serious newspaper has been turned into a pamphlet whose main mission is to slander and lie to the public. I have to clearly say it. [end recording]

This was supported by an article from Sergio Ramirez, who says the charges issued by the newspaper also represent death threats. The saddest thing about all this is that, once again, 10 journalists have lost their jobs.

Radio Reports 13 Journalists Fired

PA1111013694 Managua Radio Nicaragua Network in Spanish 1200 GMT 10 Nov 94

[From the "News 2000" newscast]

[FBIS Translated Text] Thirteen BARRICADA journalists were fired yesterday morning by leaders of this newspaper, which was intervened by radical Sandinists. One of the fired, Juan Jose Lacayo, who had worked for BARRICADA for the past 15 years, has said they were fired for not sharing the ideas of the so-called democratic left. The Agitation and Propaganda Department, known as DAP, which guided the political, information, and ideological line of Sandinist media during the Sandinist government, has made a comeback.

Commander Tomas Borge, the new chairman of the BARRICADA Board of Directors, offered a luncheon yesterday to directors of media that follow the line of the radical Sandinist sector during which he said they will fight political adversaries together, especially against the renovators headed by Dr. Sergio Ramirez Mercado, whom Borge described as traitors.

Renewal Movement Leader Issues Statement on BARRICADA

PA1011232194 Managua BARRICADA in Spanish 9 Nov 94 pp 1, 8

[Statement by Sergio Ramirez, leader of Nicaragua's Renewal Movement, which is within the Sandinist National Liberation Front, issued in Managua on 8 November: "Dangerous Lies"]

[FBIS Translated Text] What we expected is already taking place. The daily BARRICADA has been turned

into the mouthpiece of the most wicked lies printed with much brouhaha and no sense of shame. The worst style of radio stations devoted to lies, insults, and deception has been transferred over to the headlines of BARRICADA, now taking a dangerous course, because lies are turning into threats.

Everything BARRICADA is saying about the constitutional amendments is a lie from A to Z. Shameless lies. Distortions and lies, because one has to manufacture lies before manufacturing traitors.

It is a dangerous course not for the mawkish and passionate enjoyment of those who regard journalism as a dirty game in which lies or flattery, depending on the case, is always valid, nor because wounds that may never heal are being inflicted.

It is a dangerous course, because the charges of treason are not just laden with unsound hatred but also with evil and wicked intentions.

Someone in that BARRICADA, which is so removed from the heroism which gave it its name, wants to load the dice or his pistol on account of his passionate nature or a cold calculation, God knows. The charge that I am the author or signer of a new Espino Negro Pact, therefore, is not without malice. To dress me with the clothes of a traitor has a manifest intention. The charge of treason or a death threat amounts to the same thing.

I have understood the message and am at peace with God and my conscience. I do not have to give account of my actions to no one else, not to this or that commissar.

I want to make it clear that I am not complaining, nor asking anyone for protection, nor asking for compassion, mellifluous excuses, or prophetic explanations.

Nor am I not begging to have the charges of traitor cease in exchange of the promise of behaving well from now on. I am merely saying in an upright manner that everyone should be responsible for his own actions.

The entire official apparatus of the FSLN [Sandinist National Liberation Front] is responsible for what is being printed in BARRICADA. That is what the people who control that apparatus have decided.

The members of the Sandinist Assembly and interveners the Sandinist Assembly have sent to take over BARRICADA are responsible for what is printed there.

The members of the National Directorate who have endorsed that intervention are responsible.

The president of the Editorial Council, the acting editor and deputy editor, and the general editor are responsible. Those who sign those reports or lend their names and the authors of unsigned items are responsible.

They will end up destroying their new toy. They are already destroying it. Play with your toy until you totally destroy it, but do not play with the lives of others.

Sandinist Leader Views Media 'Attacks' on Reform Bill*PA1111194394 Managua EL NUEVO DIARIO in Spanish 9 Nov 94 p 6*

[Report by Edgard Barberena S.; passages within upper case as published]

[FBIS Translated Text] The executive commission of the Sandinist bloc reported yesterday that a biased campaign has been launched by BARRICADA, Radio Ya, Radio La Primerisima, and Canal Cuatro Television against the constitutional reform bill, which will be discussed by the legislature next week.

Sandinist bloc leader Dora Maria Tellez said that this manipulative campaign emerged in BARRICADA after the FSLN [Sandinist National Liberation Front] commissars seized it on 25 October, and it has published at least 10 lies in four consecutive day about the constitutional reform bill. The 10 lies appear on page four of this edition.

She said that the discredit campaign launched by BARRICADA against Sandinist deputies is dangerous because it could incite attacks that could endanger the lives of FSLN deputies. "I make the owners responsible for the headlines and for everything that is being said about the Sandinist deputies. This campaign can inflame people, who, deceived by it, can act aggressively against the deputies." She added: "There are outsiders who are trying to make the Sandinist bloc look like the devil, but we too are Sandinists" and "this cannot be ignored by the FSLN orthodox faction."

"Perhaps, several of the journalists in BARRICADA prefer the role of murderers because they were victims before," the legislator stated.

She reiterated that this newspaper is doing "the government's dirty work, as it has reported that the Sandinist bloc has lost 6 percent of its support from the universities, and this is a total lie."

BARRICADA "has also stated that the bloc legalized the payment for high school education and this also is not true." "It has said that the reforms allow the Somozists in Miami to vote and this is false; and that it attempts to dismantle the Army, which is also false," Tellez added.

Other Lies

Dora Maria was clear in pointing out that the second round (in the elections) will not change the political climate or the Nicaraguans' voting intent as "the electoral mechanism does not define the political intention of the Nicaraguan voter."

She said another lie published by the newspaper is that the reforms would annul the municipal governments. The constitutional reform gives ample authority to the municipalities and stipulates that resources must be assigned to the municipalities in the national budget.

Deputy Tellez also denied that the reforms are an issue in the negotiations leading up to the next National Assembly leadership elections and said "this comes from those who are accustomed to negotiating under the table and who put one position on the negotiation table and another one under the table." She added: "These constitutional reforms were agreed upon openly, and no issue was debated or agreed upon outside the constitutional commission."

The Sandinist bloc leader also denied that any obstacles would be negotiated with Antonio Lacayo and immediately added that measures would be included in the political Constitution to ensure the country's stability.

Deputies Are in the Plot

Deputy Tellez said four orthodox Sandinist deputies are in on this campaign. "While the government maintains absolute silence about the constitutional reforms, the BARRICADA newspaper has turned into the official mouthpiece that Engineer Antonio Lacayo could not get LA PRENSA newspaper to become."

"THE BARRICADA NEWSPAPER HAS TURNED INTO MINISTER LACAYO'S OFFICIAL MOUTHPIECE IN A PACT THAT EXISTS BETWEEN THE MINISTER AND THE ORTHODOX SECTOR OF THE SANDINIST FRONT TO ATTACK THE CONSTITUTIONAL REFORM BILL," the Sandinist bloc leader stated.

Dora Maria made reference to the executive's maneuvers to try to cause a lack of quorum at the assembly because without one, the budget of the republic and the reforms could not be approved. If such a situation occurs, it would also prevent the National Assembly from approving the wage readjustments for education and health workers.

She rejected the possibility that National Assembly President Luis Humberto Guzman's presence in the United States and Lacayo's unexpected trip to that country have anything to do with the future of the constitutional reforms, because the changes to the Constitution are an independent decision of the National Assembly.

Confirms Underground Pressures

Asked by EL NUEVO DIARIO about reports that Guillermo Chavarria was being pressured by the executive and the Center Bloc, Deputy Tellez confirmed that there is pressure for him to break the quorum at the National Assembly board.

She said other pressures are the attempts to contend that the Constitutional Commission consulted and decided on the reforms in an untimely manner. "They argued that 68 days and not 60 days had elapsed. This however cannot even be called a maneuver. They continue, however, their attempts to break the quorum at the board, even though the National Assembly plenum can make a different determination."

She confirmed that during the entire period in which the commission worked on the reforms, Chavarria had not presented a minority report. He presented a letter to the commission president "but it is too late now."

Danilo Aguirre, the deputy leader of the Sandinist bloc, described to the journalists the required legal procedures to present a minority report and said Chavarria had presented the letter when the commission report was being signed "so, they ran out of time."

Commenting on the alliance between the government and the Sandinist orthodox wing, he said there has to be an economic factor in this because although the latter sector appears as the "banner bearer of the poor and the humble," it is really filled with businessmen, which Sergio Ramirez calls "clandestine businessmen," who do not want to confront the government openly.

Chamorro Urges Assembly To Act on Court, Bills

PA1211180594 Managua Radio Nicaragua Network in Spanish 0150 GMT 10 Nov 94

["Message to the Nicaraguan people" by President Violeta Chamorro in Managua—live]

[FBIS Translated Text] Nicaraguans: I address you today to share my concerns and opinions on certain current issues of national interest which are related to the harmonious relationship that must exist between the branches of state in our beloved Nicaragua, which has lived in democracy for more than four years.

I wish to voice my concern over the delicate situation facing the Supreme Court of Justice due to the fact that the National Assembly Board of Directors has failed to act upon a three-candidate slate I proposed on 26 May to Dr. Rodrigo Reyes Portocarrero, whose term as magistrate expired in April 1994.

The National Assembly Board of Directors has also failed to act upon the resignation of Supreme Court Magistrate Dr. Rafael Chamorro Mora, who now occupies a seat as magistrate of the Central American Court of Justice, which was installed in Nicaragua on 12 October during the Ecological Summit. This delay by the National Assembly creates an atmosphere of uncertainty and instability in one of the branches of state, the Supreme Court of Justice, which affects its integrity and is harmful to our country. I urge the National Assembly Board of Directors to make its best effort to fill the vacancies at the Supreme Court of Justice as soon as possible.

I also wish to refer to the delay in the discussion of two bills at the National Assembly that are related to the opening of the telecommunications sector to private investment. I sent those initiatives, a new telecommunications law and a legal instrument to privatize Telcor [Nicaraguan Telecommunications and Postal Services], to the Assembly weeks ago.

It is healthy to engage in political debate on the issue, but this must be done with maturity and responsibility to keep from undermining the goals and benefits produced by the telecommunications privatization process.

To spend more time than is necessary in a consultation process is counterproductive, and there is a risk of obstructing the country's development and delaying a solution to the property problem.

Factors at play in the privatization of Telcor include not only the resources the country will receive for its sale but also the opportunity to welcome private investment by improving the country's image and the climate, not to mention the immediate benefits for users of the telephone and telecommunications system.

Workers will also have an opportunity to improve their economic situation because they will have the opportunity to invest and become part of a new, efficient, profitable, and well-managed company that has a bright future, which is another reason why I urge the National Assembly to pass these laws as soon as possible.

In drafting the bill on the Republic's 1995 general budget, which was presented for consideration by the National Assembly, we made a great effort to increase social expenses and public investment to the extent possible.

The main goal of this budget is to generate jobs in productive activities and, in general, to promote economic growth in the most orderly and sustainable way possible.

The budget we presented reflects a shortage of resources and the commitment of the Republic of Nicaragua to the international community to secure more loans and donations and a favorable renegotiation of its huge inherited foreign debt. These are essential factors for Nicaragua's reconstruction.

A larger allocation of operating expenses for each ministry or organization through salary raises would increase inflation and undermine the goals of economic growth, investment, and the generation of productive jobs, whose benefits are already obvious in Nicaragua. We have an enormous international support because of the sacrifices we are making. Nicaragua has never enjoyed this kind of support.

We all would like to have more resources to meet the needs of the population. Each sector, group, official, and municipality has reason to request larger allocations for their programs, projects, and activities. Each one applies pressure and tries to secure from the state a higher share of scarce resources. Yielding to this pressure, however, would mean raising taxes or increasing the country's debt.

The achievements that we have made in the area of currency stabilization are very frail and could be

reversed if we fail to make permanent efforts to consolidate what we have already achieved. An economy cannot work if we fail to establish a hierarchy of demands and resist pressure or if we lack a global vision.

This serious and tough economic and social reconstruction process is the basis for our transition to democracy through national reconciliation and a permanent dialogue process.

The experience of the past years has taught us that the people most affected by inflation are the workers who depend on a salary, the unemployed, the retired, and society as a whole.

The days of the old reigned [resellados] cordobas, the weekly devaluations, the empty supermarket shelves, the ration cards, the fuel shortage, and the many other things are still fresh in our minds.

A failure to increase wages in parallel with increases in productivity and output in the country will once again translate into inflation, and we will go back to the same problems that we have been able to overcome and which no one would like to relive.

I am aware that the decisions we have made are, politically speaking, open to criticism. To me, as a housewife and president, is it not easy or pleasant to adopt austerity measures such as these. But this is precisely where the responsibility to govern lies. I will not out of apprehension for any understandable criticism I receive from the population cease to carry out my historic responsibility of securing the foundations of Nicaragua's stabilization and reactivation.

Nicaraguans, I appeal to the honorable representatives of the National Assembly for their support in this effort to reorganize the economy by approving the budget proposal which I submitted for their consideration.

In conclusion, I cannot refrain from referring to the political Constitution reforms that are currently being considered by the National Assembly. I would like to reiterate what I said before about any substantial reforms to the political Constitution necessarily having to reflect of our national interests.

We cannot throw away the historic opportunity the democratization of Nicaragua offers us to prepare a constitution that truly incorporates a national consensus on these broad issues. We must join efforts to design a constitution that envisions the future and that is based on a national sustainable development plan.

All Nicaraguans must come to an agreement with respect to what it is we want for Nicaragua, for ourselves, for our children, and for our families. If we cannot agree on important issues such as property, education, health, the Supreme Court reorganization, and role of the state, we will never be able to design a new constitution, which is what our government program offered the people.

I would like to repeat once again what I have always said to the national and international press, and to anyone who has asked me about the issue: I am willing to support partial reforms to the Constitution as long as their approval is outlined as part of the National Assembly's legitimate role to undertake this type of reform, they are beneficial to the country, and they respond to our national interests. Thank you very much.

Panama

Government Reviewing Validity of U.S. Police Aid Accord

PA1011041594 Panama City Circuito RPC Television in Spanish 2300 GMT 9 Nov 94

[Report by Marcos Castillo; from the "RPC Television News" newscast]

[FBIS Translated Text] The current Panamanian Government is uncomfortable with an agreement signed by the U.S. Justice Department and the Panamanian Government and Justice Ministry in December 1990, because Washington has been pressuring for Panama's compliance, but the agreement has never been ratified by the proper Panamanian Government offices.

[Begin Government Minister Raul Montenegro recording] According to what I learned yesterday afternoon and today, the agreement was never approved by the Cabinet Council at that time or ratified by the Legislative Assembly. The agreement covers various government branches, such as the Attorney General's Office and Government and Justice Ministry. [end recording]

Although the agreement was not approved, both the previous and current governments have held periodic meetings with their U.S. counterparts as established under the terms of the agreement. The agreement's future, however, is currently being reviewed to decide whether the accord is to be continued or suspended.

[Begin Montenegro recording] We are going to send this document to the pertinent government offices to assess the significance of the agreement for the Republic of Panama, as well as to establish its validity. [end recording]

The agreement provides U.S. aid for police-related matters, and, under the terms of the agreement, Panama is required to report to the United States on how the aid is used.

President on U.S. Elections, Hemispheric Summit

PA1311042594 Mexico City XEW Television Network in Spanish 0430 GMT 12 Nov 94

[Telephone interview with President Ernesto Perez Balladares in Panama City by Jacobo Zabłudovsky in Mexico City—live]

[FBIS Translated Text] [Zabludovsky] Mr. Ernesto Perez Balladares, president of the Republic of Panama, is on the line now. Mr. President, citizens in the United States voted this week for different representatives and public officials. The results change the balance of forces that existed prior to the elections. Do you believe this result could endanger the treaties or the date, 31 December 1999, for turning the Canal over to Panama?

[Perez Balladares] First, we have to actually see if there is going to be a change in U.S. policy. The fact there has been a change in the U.S. Congress does not necessarily mean U.S. foreign policy, which is determined by the executive branch, will change. Second, it is important for us to note that the Panama Canal treaties were not signed with a government but with a sovereign and free state, the United States, and another state, Panama. The governments representing the interests of these states will definitely have to comply with what had been previously agreed on; therefore, we see no problem with the fulfillment of the Panama Canal treaties, the Torrijos-Carter Treaties.

[Zabludovsky] The biggest meeting of presidents of the Americas ever held in history will be held within the next month; you will surely be there. What will Panama's position be at the hemispheric summit?

[Perez Balladares] I believe there are two topics, which are perhaps two faces of the same coin. One is to achieve the integration of our Latin American and North American efforts in the fight against drugs and money laundering. We have to seek an integration of our economies so as to avoid the need to fall into this type of illegal activity with all the damage it brings. I definitely believe we should try to hold a dialogue on Latin American integration with the North.

We should also try to promote our new Latin America before the eyes of North American investors. It must be clearly understood that the times of confrontation have been left in the past. We foresee a period of cooperation. Concerning Panama, specifically, we believe we have an association with the United States in the Canal issue and

in the future of that Canal. Consequently, we must always maintain good relations so as to promote investments in Latin America in general. Concerning Panama, we are promoting investments in the reverted areas, the areas surrounding the Canal, which should be used for world trade.

Cuban Approval of Envoy Normalizes Relations

PA1211202694 Panama City EL PANAMA AMERICA
in Spanish 11 Nov 94 p E-14

[Report by Carlos Vargas]

[FBIS Translated Text] The Cuban Government has approved the appointment of Rafael Moreno Saavedra as Panamanian ambassador to Cuba, thus normalizing the countries' diplomatic relations, which had been at a low level since the Endara administration.

Cuban Charge d'Affaires Miguel Martinez made the announcement yesterday, adding that his country's ambassador to Panama will be designated in the next few days. That appointment is awaiting approval by the Cuban Council of State.

The official said he hopes this action will result in the normalization of relations between the Panamanian and Cuban Governments.

The Endara administration expelled the Cuban ambassador and other officials of that Caribbean nation in 1990 after it discovered that ousted General Manuel Antonio Noriega maintained telephone contacts with former legislator Luis Gomez, who at that time had taken asylum in the residence of Cuban diplomats.

Referring to the situation of the Cuban rafters, the charge d'affaires harshly criticized U.S. actions and reiterated the Castro government's foreign policy on this issue. For Miguel Martinez, the case of the rafters in the camps on the banks of the Panama Canal is nothing but the result of the "U.S. Government's hostile policy" toward the Cuban revolution.

Argentina

U.S. Election Not To Affect Bilateral Ties

PY1111225594 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1924 GMT 11 Nov 94

[FBIS Translated Text] Buenos Aires, 11 Nov (NA)—On 11 November, President Carlos Menem asserted that the electoral defeat suffered by the U.S. Democratic Party "will not affect in the least" relations between Argentina and the United States.

The president suggested that the results of the latest U.S. elections should be assessed "with caution and equanimity," since "they are totally relative and those vanquished yesterday may the victors today," he argued.

"The Republican Party was defeated two years ago and now it has won the election," he added.

When a reporter asked Foreign Minister Guido Di Tella whether the Republican Party's victory would adversely affect or benefit Argentine interests, he had answered: "It will neither affect nor benefit them."

Security Bodies Placed on Alert Against Attacks

PY1111145394 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1159 GMT 11 Nov 94

[FBIS Translated Excerpt] Buenos Aires, 11 Nov (NA)—The national government has placed security organizations around the country on a state of alert, after detecting "a significant increase in the activities of some fundamentalist groups" in the area bordering Brazil and Paraguay, and in view of the possibility of a new terrorist attack in Argentina.

The information was confirmed by Justicialist Party Deputy Miguel Angel Toma, president of the Chamber of Deputies Defense Committee. Toma said intelligence organizations had detected this "activity" in "the zone known as Three Borders," in Misiones Province.

"The increase in these groups' activities is really significant. This information was compared with the reports produced by other countries' intelligence services, which carefully monitor these kinds of activities," Toma said.

The legislator added that the matter was taken up "with the highest and most absolute responsibility by Argentine authorities, who took all the necessary preventive steps in order to guarantee the highest level of security possible for the public." [passage omitted]

DAIA [Argentine-Israeli Associations Delegation] Vice President Jose Hercman said security organizations had told him that "the risk is concentrated exclusively at the border zone" with Paraguay and Brazil.

Hercman added that the report he received "did not mention any link between these groups and fundamentalist groups, or the possibility of a third attack" on Jewish targets.

Andres Antonietti, security and community protection secretary, confirmed that "preventive security measures" have been implemented in the zone bordering Brazil and Paraguay after intelligence services had detected the presence of suspicious Lebanese groups in the area.

Antonietti said these measures—without specifying their extent—were adopted "based on an intelligence report" produced by SIDE [Secretariat for State Intelligence] and will be coordinated by his department.

Antonietti made these remarks at the end of a one and a half hour meeting with Presidential Secretary General Eduardo Bauza, Interior Minister Carlos Ruckauf, and SIDE Secretary Hugo Anzorreguy. [passage omitted]

Menem Downplays Possibility

PY1111222494 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1903 GMT 11 Nov 94

[FBIS Translated Text] Buenos Aires, 11 Nov (NA)—On 11 November, President Carlos Menem played down the possibility of a new terrorist attack and asserted that "the people may rest assured that there is nothing special" going on.

Commenting on a piece of information disclosed by the Secretariat for State Intelligence (SIDE), according to which it had detected the presence of groups belonging to the alleged pro-Iranian Hizballah guerrilla operating in the border with Brazil and Paraguay, Menem said that "there is no cause for alarm."

Hizballah is thought to have perpetrated the attacks that razed to the ground the Israeli Embassy in Buenos Aires on 17 March 1992 and the Argentine-Israeli Mutual Association (AMIA) on 18 July 1994.

Menem said that "it is not surprising that some information" about suspicious groups' activities should have "leaked out." He nonetheless stressed that "this should be taken with a grain of salt," adding that "security in border areas has been tightened since the previous attacks."

The head of state commented on the possibility of there being another terrorist attack during a news conference he gave upon his arrival in Buenos Aires from Peru—where he made a two-day state visit—and in remarks made to radios "La 9.90," "America," and "Nacional."

"We step up security measures every day," he pointed out.

The first reports about the alleged activity of fundamentalist groups in the border area between Argentina, Brazil, and Paraguay were disclosed yesterday by Miguel Angel Toma, chairman of the Defense Committee of the Chamber of Deputies. He reported that the SIDE had "detected extremely significant movements by different fundamentalist groups in the border area."

Commenting on reports about the note of warning sounded by the aforementioned Justicialist Party deputy, Menem pointed out that "it may very well be that he had nothing to talk about and decided to discuss that issue without giving it much thought."

"Somebody said that country had been placed on full alert thus giving rise to much uncertainty. That is overdoing things, and therefore I want to calm people down," he underlined.

Following his arrival from Peru shortly after 0500 local time [0800 GMT], Menem was to have traveled to Cordoba Province at 1000 local time [1300 GMT] to participate in a golf tournament organized by the Armed Forces, but because of the adverse weather conditions in that province, he decided to stay in Buenos Aires.

The president met with Interior Minister Carlos Ruckauf at the Olivos presidential residence, and then held a meeting with SIDE Secretary Hugo Anzorreguy and with Security and Community Protection Secretary Andres Antonietti to discuss the warning about a third terrorist attack in the country.

Menem signed the daily dispatch Legal and Technical Secretary Carlos Corach submitted to him and then he left the presidential residence at 1030 to play golf at a place in Buenos Aires Province that his aides declined to disclose.

Bolivia

Supreme Court Postpones Extradition of Rico Toro

PY1011233894 La Paz Radio Fides Network in Spanish
1100 GMT 10 Nov 94

[Report by Victor Valdez from Sucre]

[FBIS Translated Excerpt] Faustino Rico Toro must wait. Yesterday the Supreme Court postponed for one month a ruling on the extradition of Faustino Rico Toro, the former Special Antinarcotics Force [FELCN] chief, who is accused by the U.S. Government of sending 500 kg of cocaine to Miami between 1991 and 1993.

Supreme Court President Gualberto Davalos explained that several justices requested a thorough study of all documents before making a final ruling. [passage omitted]

Faustino Rico Toro will remain in a FELCN jail in Cochabamba. His case will be studied again after 10 December 1994 when the judicial branch returns from the vacation that starts on 14 November. The extradition of alleged traffickers Rolando Suarez Landivar and Felipe Roca Ali have also been postponed.

Coca 'Zero Option' Plan Proposals Create Debate

PY1011233794 La Paz Television Nacional Network in Spanish 1700 GMT 10 Nov 94

[FBIS Translated Text] The Zero Option Plan—the total eradication of surplus coca plantations, which the government is proposing—is creating a major national debate.

[Begin recording] [Unidentified reporter] The government has again proposed the Zero Option Plan—the total eradication of surplus coca. To do so it has proposed, among other ideas, the purchase of land from coca growers in Chapare and the formation of a large national park in that region.

[Social Defense Secretary Mario Soliz] The plan will require a great deal of money. We calculate about \$2 billion, but we do not believe any one organization will provide that amount. The proposal is an option. International organizations will now study it.

[Reporter] The money would come from various sources. Private business would take over alternative development. Moving coca growers to other agricultural regions and severance pay for them must be considered. The plan involves an astronomic amount of money. About \$2 billion has been mentioned. Politicians, even those of the MNR [Nationalist Revolutionary Movement] and the MBL [Free Bolivia Movement], have expressed fears that the Zero Option Plan may lead to the use of force.

[MBL Deputy Alfonso Ferrufino] I am not officially expressing the MBL position, but I believe this plan is unfeasible for two simple reasons: first, it supposes an extremely large amount of money, about \$2 billion, and second because the greatest obstacle in the path of the Zero Option Plan is the real risk of social upheaval by those affected.

[Unidentified reporter] Because of the repression that would have to be carried out?

[Ferrufino] Repression would have to be carried out unless coca growers voluntarily accept the Zero Option Plan.

[Reporter] We also talked with opposition Deputy Tito Hoz de Vila of the ADN [Nationalist Democratic Action], who said his party does not see a coherent proposal from the government.

[Hoz de Vila] This is not the case of going to Government House for a nice cup of tea with the president. It is a very serious issue. The government should reach agreement and say: This is our proposal. That would enable parties to make decisions. The country should get a serious proposal.

[Reporter] There will be a political meeting on 15 November at Government House on the coca-cocaine problem. The Zero Option Plan and the strategy against drug trafficking will be discussed. The chiefs of all political parties will attend, including Max Fernandez [Solidarity Civic Union leader].

Brazil

Editorial Criticizes California Proposition 187

PY1211014194 Rio de Janeiro O GLOBO in Portuguese
11 Nov 94 p 6

[Editorial: "Reduced Space"]

[FBIS Translated Text] President Clinton's humiliating defeat in the U.S. elections is such a significant political event that its effects will be felt on every front, especially by its neighbors in the continent.

The victorious Republicans are inclined to support free trade. Yet, perceptive politicians are mindful of the signs of the times, and this is not a time for outstretched arms among nations.

A tangible example of this trend is Proposition 187, which was approved through a plebiscite in California and which blocks access by illegal aliens to public education and health services (with the exception of those cases when the patient's life is in danger).

California is today a boiler of immigrants, and the impact there is going to be very painful. The approval of the resolution provoked immediate reactions. The Mexican Embassy in Washington described it as "discriminatory and xenophobic." Martin Anderson, a specialist in Latin American affairs, regarded the proposal as very dangerous and added that it "looks for scapegoats for very complex economic problems." The greatest fear among the Hispanic community, which accounts for the largest number of "illegal aliens," is that similar measures could be adopted across the nation, thus giving way to a wave of xenophobia.

It is in fact like walking in a mine field. Logically speaking, one can understand the concern over social benefit systems that are always overburdened. The danger, however, is to regard the care of "illegal aliens" as a focal point in this matter.

It would even be inaccurate to blame the economic situation for the U.S. voters' dissatisfaction with their government. After a few years of a relatively tight situation, the United States has already entered a stage of economic recovery, and it has gone as far as bridging earlier productivity gaps in relation to some of its traditional competitors.

Reactions against immigrants may appear to be logical, but are ultimately behaviors that in some European countries have provoked open acts of racism. Some societies that have reached a very high level of sophistication and demands are trying to shut their eyes to that which exists outside their borders; they are trying to erect a wall to stop an invasion by the "outer world."

There is a clear paradox in all this. Never before has so much been said about economic integration and open markets. There is already true concern about the new U.S. political situation with regard to the fate of the GATT Uruguay Round accords, which must be ratified by the U.S. Congress and to which Clinton has committed himself.

The GATT accords set forth objective goals toward the opening of markets, which would benefit developing countries. A good domestic performance by these countries will in fact be essential in stemming the flow of immigrants

because people migrate to places where they can find jobs and seek precisely to escape from stagnation.

Yet, the emphasis now seems to be placed on tightening the closure of borders, which is not the way to improve dialogue between the haves and have-nots.

Sao Paulo PSDB, Ceara Fight for Economic Control

PY1111201594 Rio de Janeiro O GLOBO in Portuguese
10 Nov 94 p 3

[By Silvia Faria and Tales Faria]

[FBIS Translated Text] Brasilia—PSDB [Brazilian Social Democracy Party] members of Ceara State and their fellow party members of Sao Paulo State are exchanging blows through the newspapers and are engaging in a fierce behind-the-scenes dispute. This infighting is consuming President-elect Fernando Henrique Cardoso's energy and is undermining the transition process toward the installation of the new government. The PSDB members of Sao Paulo and Ceara are fighting over control of the economic area. The Ceara group initially sought to keep Ciro Gomes as finance minister, while the Sao Paulo group closed ranks around Clovis Carvalho, the incumbent Finance Ministry executive secretary who is closely associated with Deputy Jose Serra (PSDB-SP).

In light of a sharp deterioration of Gomes' position in recent hours, the Ceara group retreated and proposed a compromise solution; that is, that a member of the Ceara bloc be appointed as chairman of the National Bank for Social and Economic Development (BNDES), which is expected to disburse in the next four years an estimated 100 billion reais for investments in infrastructural facilities; and that another member of the group be appointed to head a ministry in the social area. Cardoso has viewed this compromise proposal favorably. Today, although most members of the economic team are linked to the Sao Paulo group, the Ceara group has Finance Minister Gomes and Planning Minister Beni Veras in the economic area.

The fight started during President-elect Cardoso's tour of Europe, when the Sao Paulo group detected signs that Gomes was planning to stay as finance minister to secure for the Ceara group the control of the economic area under the new government. At that time, the Ceara group heard reports that Gomes would be offered the Health Ministry post. This was a move by the Sao Paulo group to cause the Ceara group to leave the most important government area.

Another important name in the Ceara group is Tasso Jereissati, who is the political leader of the group. Beni Veras masterminded the PSDB rise in Ceara State. The main leaders of the Sao Paulo group are Deputy Jose Serra (who is now a senator-elect), Senator Mario Covas, and Clovis de Carvalho. Covas, who is currently immersed in his campaign for governor of Sao Paulo, did

not take part in the fight. The PSDB group of Rio de Janeiro consists of Finance Ministry special adviser Edmar Bacha, Central Bank President Pedro Malan, and PSDB Vice President Ronaldo Cezar Coelho. The Ceara group considers the Rio group to be allied with the Sao Paulo group.

To solve the conflict, Cardoso has held a number of meetings since his return to Brasilia. He decided to assure the Sao Paulo group that they would have control over the economic area, but he offered the Ceara group any post in the economic area, with the exception of that of finance minister. Additionally, Cardoso told Gomes that he would like to have him serve on his cabinet, possibly as health minister.

Veras and Jereissati agreed to Cardoso's proposal and asked that the BNDES chairmanship be set aside for the Ceara group. Either Senator-elect Sergio Machado or Deputy Jackson Pereira, former director of Bancesa [Commercial Bank, Inc.], may be appointed chairman of the BNDES.

It would then be up to Cardoso to decide whether the new finance minister will be Malan, Carvalho, or Bacha. Yet, Gomes continues to be a problem for the agreement between the two groups. Jereissati and Veras have not yet managed to persuade him to agree to becoming the new health minister.

Roundup of Electoral Reports

PY1111021594

[FBIS Editorial Report] The following is a compilation of reports on electoral activities in Brazil leading up to the 15 November runoff elections, as monitored through 11 November:

The Brazilian Public Opinion and Statistics Institute, IBOPE, has released its latest opinion poll figures on the gubernatorial runoff elections in five states and in the Brasilia Federal District. If the election were held today in Piaui State, the PMDB—Brazilian Democratic Movement Party—candidate Francisco Souza would obtain 52 percent of the votes, PFL—Liberal Front Party—candidate Atila Lira would obtain 39 percent, and the number of blank and null ballots and of undecided voters would total 9 percent. If the election were held today in Rondonia, PMDB candidate Waldir Raupp would obtain 54 percent, PDT—Democratic Labor Party—candidate Chiquilito Erse would obtain 32 percent, and the number of blank and null ballots and of undecided voters would total 14 percent. If the election were held today in Goias, PMDB candidate Maguito Vilela would obtain 49 percent, PP—Popular Party—candidate Lucia Vania would obtain 37 percent, and the number of blank and null ballots and of undecided voters would total 14 percent. If the election were held today in the Brasilia Federal District, PT—Workers Party—candidate Cristovam Buarque would obtain 46 percent, PTB—Brazilian Labor Party—candidate

Valmir Campelo would obtain 41 percent, and the number of blank and null ballots and of undecided voters would total 13 percent. If the election were held today in Sao Paulo, PSDB—Brazilian Social Democracy Party—candidate Mario Covas would obtain 53 percent, PDT candidate Francisco Rossi would obtain 33 percent, and the number of blank and null ballots and of undecided voters would total 14 percent. If the elections were held today in Rio de Janeiro, PSDB candidate Marcello Alencar would obtain 45 percent, PDT candidate Anthony Garotinho would obtain 36 percent, and the number of blank and null ballots and of undecided voters would total 19 percent. IBOPE polled 800 voters in Rondonia, Goias, and Brasilia; 1,000 voters in Piaui; and 2,000 voters in Rio de Janeiro and Sao Paulo from 31 October to 7 November. (Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 9 Nov 94)

IBOPE has also released its latest poll figures for six states. If the gubernatorial election were held today in Para, PSDB candidate Almir Gabriel would obtain 55 percent of the votes, PPR—Progressive Renewal Party—candidate Jarbas Passarinho would obtain 33 percent, and the number of blank and null ballots and of undecided voters would total 12 percent. In Sergipe, PSDB candidate Albano Franco and PDT candidate Jackson Barreto would tie with 45 percent each, and the number of blank and null ballots and of undecided voters would total 10 percent. In Maranhao, PPR candidate Epitacio Cafeteira would obtain 51 percent, PFL candidate Roseana Sarney would obtain 39 percent, and the number of blank and null ballots and of undecided voters would total 10 percent. In Minas Gerais, PSDB candidate Eduardo Azeredo would obtain 46 percent, PP candidate Helio Costa would obtain 41 percent, and the number of blank and null ballots and of undecided voters would total 13 percent. In Santa Catarina, PMDB candidate Paulo Afonso and PPR candidate Angela Amin would tie with 45 percent, and the number of blank and null ballots and of undecided voters would total 10 percent. In Rio Grande do Sul, PMDB candidate Antonio Britto would obtain 46 percent, PT candidate Olivio Dutra would obtain 41 percent, and the number of blank and null ballots and of undecided voters would total 13 percent. IBOPE polled 10,800 voters in the six surveyed states from 1 to 8 November. A survey conducted by Gallup in Espirito Santo State shows that, if the election were held today, PT candidate Victor Buaiz would obtain 49.5 percent, Social Democratic Party candidate Cabo Camata would obtain 37.1 percent, and the number of blank and null ballots and of undecided voters would total 13.4 percent. Gallup polled 1,244 voters in Espirito Santo from 5 to 8 November. (Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 10 Nov 94)

A poll conducted by Toledo and Associates in Amapa among 1,506 voters from 4 to 7 November shows that PTB candidate Jonas Pinheiro is leading the gubernatorial race with 48.3 percent of voters' preference over 41.5 percent for Brazilian Socialist Party candidate Joao

Capiberibe. The number of blank and null ballots and of undecided voters has been estimated at 10.2 percent. (Sao Paulo AGENCIA ESTADO in Portuguese 1800 GMT 9 Nov 94)

Sao Paulo Mayor Paulo Maluf on 8 November formally announced the PPR endorsement of Mario Covas, the PSDB gubernatorial candidate in Sao Paulo. Maluf and Covas are longtime political foes. (Sao Paulo AGENCIA ESTADO in Portuguese 1835 GMT 8 Nov 94)

President-elect Fernando Henrique Cardoso today announced his support for three gubernatorial candidates from parties that helped him win the election. Cardoso today received candidate for Goias governor Lucia Vania, from the PP; then candidate for Maranhao governor Roseana Sarney, from the PFL; and finally candidate for Rio de Janeiro governor Marcello Alencar, from the PSDB. Alencar said Cardoso is sure the PSDB will win the governorships in Sao Paulo, Minas Gerais, and Rio de Janeiro states. (Brasilia Voz do Brasil Network in Portuguese 2100 GMT 10 Nov 94)

Vox Populi conducted an opinion poll in Acre from 29 October to 1 November. The survey shows that Oleir Cameli, the gubernatorial candidate of the local PPR-PP coalition, is expected to become the new Acre governor with 59 percent of the votes, thus defeating PMDB candidate Flaviano Melo, who is expected to obtain 34 percent of the votes. Vox Populi polled 877 voters across the state, 65 percent of them residents of urban areas. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Nov 94 p 8)

According to the latest Vox Populi survey, PFL candidate Paulo Souto is expected to win the governorship of Bahia State with 50 percent of the votes against 37 percent of National Mobilization Party candidate Joao Durval. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 7 Nov 94 p 1)

In its latest survey, Vox Populi has predicted that the PSDB candidates will win in the three major electoral states in the country. They are Mario Covas in Sao Paulo, Eduardo Azeredo in Minas Gerais, and Marcello Alencar in Rio de Janeiro. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Nov 94 p 12)

A probe into cases of electoral fraud in Rio de Janeiro has thus far yielded meager results. Electoral prosecutor Alcir Molina has ordered the opening of 100 ballot boxes in which foul play is suspected. Judge Leni Barbosa Henrique of the 36th Sao Goncalo district has been separated on charges of having committed an electoral crime. Greek citizen Maria Stavrinou and her partner Roberto Ricardo Silva were imprisoned for committing electoral fraud. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Nov 94 p 3)

Following the annulment of the 3 October election for federal and state deputies in the state of Rio de Janeiro, several political parties have concentrated their efforts

on promoting those candidates who obtained the largest number of votes in the now annulled 3 October election. Some candidates who had obtained fewer votes or who had run out of funds have simply bowed out of the race. Others have been excluded by their parties and have taken the matter to electoral courts. Federal Deputy Vivaldo Barbosa, who is chairman of the regional PDT branch, is seeking reelection. He and his party leadership have ruled that only those PDT candidates who obtained 10,000 votes or more in the 3 October election are entitled to appear on the free TV time set aside for the party. The PSDB has followed a similar course of action. Among the PSDB candidates for federal deputy whose election is being prioritized is banker Ronaldo Cezar Coelho. The PT, however, has decided to maintain all of its candidates. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Nov 94 p 6)

President-elect Fernando Henrique Cardoso on 9 November announced his endorsement of PT candidate Victor Buaiz in Espirito Santo. Cardoso said: "The election of Victor Buaiz is the best option for Espirito Santo and for Brazil." Cardoso and Buaiz met at the PSDB headquarters in Brasilia. Buaiz said that, if elected, he will seek to work harmoniously with the federal government. (Sao Paulo AGENCIA ESTADO in Portuguese 1932 GMT 9 Nov 94)

In addition to Rio de Janeiro, charges of electoral fraud in the vote count of the 3 October election have been filed before the regional electoral courts of Bahia, Para, Mato Grosso, Amazonas, and Maranhao. Most of the charges claim that reports on blank ballots had been doctored to benefit a given candidate. Thus the respective regional electoral courts have been asked to proceed with a recount of those ballots. Yet, because the election in Rio de Janeiro was the one most seriously affected by fraud, it is the only one that has already been annulled by the Superior Electoral Court. (Sao Paulo GAZETA MERCANTIL in Portuguese 2 Nov 94 p 6)

CMN Approves Measures To Restrict Credit

New Measures Defined

95SM0034A Sao Paulo GAZETA MERCANTIL in Portuguese 20 Oct pp 1, 19

[Article by Brasilia correspondent Claudia Safatle]

[FBIS Translation Text] The government made a bold move yesterday to put the *Real* Plan back on track. At a special meeting of the National Monetary Council (CMN), two sets of measures were approved. One is intended to curb demand by restricting credit. The other, which will have a strong impact, is to put exchange policy, now the main anchor of the stabilization program, on track. "The plan is still firmly in place," insisted Finance Minister Ciro Gomes after the CMN meeting.

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More than a dozen foreign-exchange related steps were taken to hinder transactions involving arbitrage of interest rates (seeking to take advantage of the differential between internal and external interest rates), to close windows through which foreign funds enter, and to liberate the floating exchange rate and tourism markets.

The CMN created the figures of "small exporter" (those whose export transactions did not exceed \$10 million in the past 12 months) and "large exporter" (exports in excess of \$10 million) and, depending on exporter size, reduced the intervals allowed for liquidation of advances on (forward) exchange contracts (ACCs) and prepayment transactions.

Starting today, small exporters will have up to 150 days in which to liquidate their ACC transactions, while large exporters will have 90 days. Previously, the deadline was 180 days for everyone.

There are exceptions to this general rule. For exports of products considered strategic from the internal supply standpoint (flat steels, aluminum, cellulose, chemicals, rubber, and others) the period for liquidating the ACC has been cut from 90 to 30 days. For farm commodities (tobacco, fish, the soybean complex, sugar, cacao, coffee, corn, and orange juice), the large-and-small-exporter rule is applied so as to permit converting the ACC into a pre-payment.

In addition to these changes the CMN approved the following actions:

- *Credit restraints*—A CMN resolution reduced to three months the time frames for advances and financing operations, and for loans made by financial institutions. At the same time, it prohibited banks from engaging in credit operations with "factoring" companies and financing working capital for credit card administrators. Today, the Central Bank (BC) is expected to issue a circular to exclude from these restrictions transactions to finance production and agricultural goods.
- *Consortia [Buyers Clubs]*—Consistent with its intent to cool demand, the BC reduced the duration of automobile purchasing clubs to 12 months and prohibited them from awarding cars by bid [which allowed a member to receive a car earlier than he might otherwise have been awarded it under the normal distribution scheme]. It also suspended formation of new consortia for the purchase of home appliances and consumer electronics.
- *Foreign capital/arbitrage*—To put the brakes on the entry of foreign capital in search of the differential between interest rates charged on the domestic market compared with those prevailing on the world market, the CMN decided yesterday to increase the tax burden on foreign funds invested in fixed-yield funds by raising the IOF [Financial Operations Tax] from 5 percent to 9 percent. The IOF on Eurobonds has gone from 3 percent to 7 percent, and stock market transactions, which had not been taxed, will

now pay an IOF of 1 percent. "This protects the monetary policy from the influences of foreign exchange fluctuations," said Gustavo Franco, director of the BC's foreign department.

- *The "63 Operations"*—These internal transfers [repasses] of funds raised abroad, which used to be for only 90 days, must now be contracted for at least 540 days, which makes them unattractive.
- *Pre-payment*—Transactions involving lengthy pre-payment periods that amounted to financing granted by the foreign importer to the Brazilian exporter, tax-free for as long as two years, have been suspended indefinitely. "Exporter firms interested in this kind of operation will have to use loans and pay the taxes due on them," said Gustavo Franco.
- *Pension funds*—Institutions that operate private pension funds will be able to invest as much as 10 percent of their technical reserves in foreign investment funds. That practice had been prohibited, but may now spur additional demand for dollars on the domestic market.
- *Tourism/dollars*—The Monetary Council removed the restrictions on the floating exchange market effective today, eliminating the ceilings on all remittances of dollars to foreign destinations made to pay for medical care, or for educational, scientific, or cultural purposes, as well as transfers of assets, inheritances, retirement benefits and allowances, software purchases, payments on international credit cards, and others. Tourist purchases of dollars are now free of the \$4,000 limit. The requirement for documentary proof to support these remittances was maintained.
- *"Bald" ACCs*—A BC circular ends the possibility of making deals on the so-called "performance market." In other words, to obtain an ACC, the exporter will now have to identify the product to be exported. Heretofore, an exporter who had obtained an ACC could, on the eve of shipment, chase after whomever had some product equivalent to the value of the exchange contract and pay that person a premium. Now he will have to declare what he is going to export and will not be allowed to swap it for some other goods later.
- *Imports/debts*—Assumption of importer debts (the importer transfers his overseas debt to a bank, which can postpone liquidation of the transaction) will now have to be recorded in the account books of the financial institution. A compulsory deposit of 100 percent margin will be required. Inventories are not affected, but the CMN has made those transactions totally unattractive to banks. These transactions are known on the international market as "lead and lag" [preceding words in English].
- *Annex 4*—The Council has removed the financial investment funds (FAF) and privatization funds from Annex 4. This means that investors who put foreign funds into the stock market will no longer have these investments, which functioned as fixed-yield investments, as an alternative should they wish to change their position. "That made sense when the inflation

rate was 40 percent and a withdrawal from the stock markets into another investment could erode the investment," explained the director of the BC's foreign department.

Two other BC measures, of a more operational nature, were also approved yesterday:

- *"Dealers"*—Selection of "dealers" [preceding word in English] by the BC will now have to follow certain criteria: the institutions that have the most clout in the primary exchange market will be assigned a weight of "8" and selected over those that concentrate more on the interbank exchange market (to be assigned a weight of "1").
- *Funds Entering in Installments*—As of today, borrowers of foreign loans will be allowed 30 days (instead of 60) to bring the proceeds into the country, but the values may be deferred during that period so that the entry of a significant sum does not upset the foreign exchange rate on a single day. This is an optional installment approach.

With this package of measures that restrict the entry of funds, discourage some practices employed in commercial transactions, and lift restrictions on remittances abroad, the BC director believes the market will find an equilibrium foreign exchange rate in the next several days, simultaneously with the consolidation of an exchange policy under which the BC's actions will be "intermittent" as Franco described them. The direction that exchange policy will take over the medium and long term will be to make the country "an importer of capital once again," he said.

Both BC President Pedro Malan and Executive Secretary of the Ministry of Finance Clovis Carvalho denied that this "package" of measures is actually a *Real Plan II* and rejected any similarity with the Cruzado Plan II that was published following the 1986 elections.

Both made it clear that other measures may be approved, starting today, but gave no further details.

Impact of Measures Assessed

95SM0034B Sao Paulo GAZETA MERCANTIL in Portuguese 20 Oct pp 1, 18

[Commentary, "Exchange Policy in the Gray Area," by Sao Paulo correspondent Celso Pinto]

[FBIS Translated Text] The package of measures announced yesterday reinvigorates, but does not define once and for all, the future of foreign exchange policy. According to a source in the government's economic area, this remains an important topic of internal debate.

The restrictions on the entry of foreign exchange and the stimulation of internal demand for dollars built into yesterday's package help the Central Bank (BC) to pursue a kind of exchange policy that seems to be taking a somewhat clearer shape. It means letting the market

fluctuate within a certain bracket. Whenever the direction of the market deviates too far away from the target, the BC starts buying (as it did heavily in recent days) or selling (like it did yesterday).

Since the BC wants to preserve the greatest possible degree of freedom, it has never allowed itself to operate with an exchange rate target. Yesterday, at any rate, the BC began saying that exchange rates should fluctuate around the earlier averages and that excessive volatility will not be tolerated. For a good part of the market, these words translate into figures that make today's target for the dollar about R 0.85.

Yesterday's changes may lend more credibility to a semi-managed exchange policy of this type. The primary sources of foreign exchange today are the advances on forward exchange contracts, or (ACCs). The basic motivation for the ACCs has been to take advantage of the difference between the lower cost of raising funds abroad and the potential gain from internal interest rates. In other words, even though in most cases they originated with a commercial transaction (there were some who made an ACC after thinking about exporting some kind of goods), the central reason was financial. By cutting the ACCs for larger exporters (exports above \$10 million a year) from 180 to 90 days, and requiring proof of an actual export contract, the BC has significantly reduced the alternatives for arbitrage.

The package also constricts foreign investor opportunities for arbitrage of interest rates by banning them from investing in the FAF (Financial Investment Fund) and the privatization funds, and by raising from 5 to 9 percent the IOF (Financial Operations Tax) on foreign fixed-yield funds, and the IOF on the entry of other foreign-raised capital, such as loans and bonds, from 3 to 7 percent. As things stand now, according to one market source, a queue of \$2 billion in Eurobonds waiting to enter this country conveys an idea of what the BC wanted to avoid. The 9 percent IOF for fixed-yield funds requires, at current interest rates, that the investment will have to remain in Brazil for at least 90 days just to pay the taxes, besides running the risk of an exchange devaluation. The 1 percent IOF for stock market investments, also instituted yesterday is, in the opinion of market sources, mostly symbolic.

There may also be a significant increase in demand because of two actions taken yesterday. One freed virtually all forms of foreign exchange remittances at the floating rate, something that may appeal to those who have always found their access to the international market blocked. The other important measure permits pension funds to put 10 percent of their assets, about \$45 billion, into investments in recently-created foreign funds.

In this case, the government is betting on the long term but the expected impact is more immediate. All over the world, pension funds hold part of their assets, often about 20 percent, in investments outside their home

countries. That portion, by the way, has been growing as fund managers try to increase profitability (by investing in emerging markets) and diversify risks.

The rationale is that Brazilian pension funds will also end up putting part of their assets into the external market even though, at the moment, internal yields are much more interesting. Even if this movement takes awhile to develop, until the funds are ready and willing to pursue that option, administration sources expect that the exchange market will somehow anticipate that movement in the future and current exchange rates.

Taken together, all this certainly is a big help to the BC in what has so far been a thankless task: trying to prevent an even greater rise in the value of the *real*. Anticipating some of the actions that were announced in the evening, yesterday's exchange market ended up sending the dollar high enough to make room for the BC to start selling dollars.

The problem is that the expected market trend for the medium-term future continues to be a rise in the value of the *real* vs. the dollar, caused by a heavy inflow of foreign funds. There is a consensus among major international institutions that the bulk of the money that foreign institutional investors plan to invest on our stock exchanges is still waiting for the Fernando Henrique administration to get its bearings. Furthermore, the upward surge of interest rates because of the demand and credit squeeze built into yesterday's package will continue to make it attractive to invest on the internal financial market. Several doors have been closed; others will ultimately be opened by the market.

It is no secret that several of the economists on the economic team, starting with BC President Pedro Malan, have always liked the idea of establishing a range within which the exchange rate can fluctuate. One can also find on the team those who would advocate a more radical, Argentine-style, option: fixing the parity and convertibility.

It is also true, on the other side, that the government had not yet exhausted the available alternatives for freeing the demand for dollars and restricting the entry of foreign funds. Yesterday's round goes quite a ways in that direction.

The truth is that a flexible exchange rate has a big advantage in the short run, i.e., it can be an important auxiliary weapon in the battle against inflation. It also has two big disadvantages: it can have a very strong impact on exports and production if the upward trend in the *real* goes on too long; and there is an inflationary cost when it reverses direction.

Left to its own devices, the exchange rate would necessarily bring the balance of payments into equilibrium by depressing exports, stimulating imports and, at a certain point, making it impossible to profit from the inflow of foreign funds. The problem is that the road back, in

terms of devaluation of the *real*, could be a rough and speedy trip. What had been a reduction in costs achieved via imports while the value of the *real* was rising becomes an increase in costs when things start going the other way.

Keeping the exchange rate flexible and trying to control it via interventions by the BC can, in the medium term, prove to be more costly than simply establishing a floor and specifying a range of permitted fluctuation. Some degree of freedom is lost with the floor; the gain comes from sending clearer signals.

So why not take a step in this direction right now? One government source said that the stabilization and expectations need to be consolidated first. The *Real* Plan is still in its initial stage, subject to doubts in the fiscal area and to a leftover indexation system that is incompatible with dealing a permanent blow to inflation. It will be necessary to resort more intensely to monetary policy than was supposed to be the case, and there is no basis for thinking that interest rates can be quickly brought down to a level at which foreign capital would cease to be attracted: the international rate plus a "Brazil premium," the expectation of a future devaluation being considered.

The risk, commented a former BC director, is that in trying to preserve too many degrees of freedom, the economic team ends up losing degrees of efficiency. What does seem certain at any rate is that the currently "grayish" exchange policy formula is unlikely to survive for long.

Mato Grosso do Sul Indigenous Problems Viewed *PY1111110394 Sao Paulo AGENCIA ESTADO in Portuguese 1805 GMT 9 Nov 94*

[FBIS Translated Text] Campo Grande, Mato Grosso do Sul, 9 Nov (AE)—Attorney General Aristides Junqueira today discussed the drastic drop of the indigenous population rate in Brazil. It is a fact that must be deeply analyzed, he said. "They used to be the majority population in the country, and nowadays they are a minority. We must find out what happened," he added.

Junqueira is in Mato Grosso do Sul [MS] by invitation of the National Indian Foundation (Funai). He arrived in Campo Grande today, from where he traveled to Amambai Municipality, in the extreme south of the state. Accompanied by Funai President Dinarte Madeiro, Junqueira will visit the town of Jaguari in rural Amambai, where 150 Guarani Indians live in a 401-hectare area, on a farm where there are permanent land conflicts.

In the regional Funai office, Junqueira will verify reports on a series of suicides among the Indians of the region. There he will also learn of the advance of alcoholism among the Indian nations and of other problems from the mouths of the local indigenous leaders.

The worst problems for the Indians are the many conflicts they have with farmers, and the permanent threat of an eviction order pending over 250 Guarani Indians from the town of Jaguapire, Tacuru Municipality, southern MS, on the border with Paraguay. According to Virgilio Clemente, regional Funai administrator, the Indians continue with their threat of committing collective suicide in Jaguapire if the eviction order goes into effect.

Another serious problem in the same region is the situation of 230 Indians who are awaiting a court decision to occupy the town of Sete Cerros, where employees of the Sattin agricultural firm live in 20 houses. The Sattin firm administers a farm in the area despite the fact that it was declared indigenous land by a presidential decree.

The attorney general said that he has come to observe all these problems closely. "This represents a great sadness that must end," he said. Junqueira will inspect the MS indigenous towns, after which he will have elements with which to suggest administrative changes in the Funai so as to hasten the court actions to return the land to the Indians.

Telebras Plans To Produce Telephones in PRC

PY1111183494 Sao Paulo GAZETA MERCANTIL in Portuguese 10 Nov 94 p 24

[Article by Marcos Magalhaes in Brasilia]

[FBIS Translated Text] As of next year, Braschin [expansion unknown] will be producing 100,000 public phones annually. This will be the first practical result of the efforts made by Telebras [Brazilian Telecommunications, Inc.] to approach the Chinese Government. In the Chinese market Telebras is trying to compete with the world's largest enterprises in this sector.

The enterprise that will produce the phones was born from a "joint venture" formed by Telebras and three organizations of Shanxi Province, which has a population of 70 million: the office of the capital's mayor, the local development agency, and the regional telephone company. The three organizations hold 50 percent of the capital of the new enterprise, while the remaining 50 percent belongs to Telebras.

Low Cost

The preference for Telebras was caused by the low cost of the public phone cards developed by the Telebras Research and Development Center. This technology will be used for producing the cards and phones. The production of 100,000 phones annually almost doubles the number of public phones that are installed each year throughout Brazil.

"That will be the hen that lays the golden eggs," Telebras President Adyr Silva said, adding that Brazilian suppliers will soon have to settle in China, in order to supply

the new factory. "We are entering the world's largest emerging telecommunications market," Silva said.

Expected Profits

The enterprise expects to make annual profits worth \$8 billion through the joint venture, thus almost immediately covering the cost of installation. Negotiations are under way with 15 other countries for similar undertakings. Negotiations with the Chinese province provide for tax exemption for two years.

Chile

President Frei Departs for APEC Summit

PY1011202894 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 10 Nov 94

[FBIS Translated Text] A few minutes ago, President Eduardo Frei began his 14-day tour of the Asia-Pacific region in an effort to consolidate Chile's adherence to APEC [Asia-Pacific Economic Cooperation]. Listen to what our special correspondent at Pudahuel Airport, Jose Ignacio Aguirre, has to tell us about this. Good afternoon, Jose Ignacio.

[Aguirre] Good afternoon, Eduardo. President Frei has begun what will probably be the most important tour during his administration. A few minutes ago he began a trip to Southeast Asia to attend the summit of political leaders of APEC countries.

With this Chile will experience a qualitative change on being the first Latin American country to join this economic organization, the most important in the world, which gathers the main world powers such as the United States, Canada, Japan, Australia, and all other powers emerging from Southeast Asia, such as Malaysia, Singapore, and Indonesia, where the summit will be held.

After the ceremony, during which Interior Minister Carlos Figueroa assumed office as acting president, President Frei referred to the trip in this manner:

[Begin Frei recording] I think it will be possible for us to talk about many issues. We will also see how to consolidate our presence in this organization, and how we can learn from this part of the world as well. I think this is very important. [end recording]

[Aguirre] Some 17 presidents will attend this summit. President Frei will also hold several bilateral meetings, including one with U.S. President Bill Clinton. In addition to visiting Indonesia, President Frei will make a stopover on Easter Island, and will also visit South Korea, Australia, and Japan.

Comments on Joining APEC

PY1411140194 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 14 Nov 94

[FBIS Translated Excerpt] The most important day of President Frei's tour of the Asian-Pacific region will be

15 November, when he will formalize Chile's membership in the APEC [Asia-Pacific Economic Cooperation], the most important regional economic group.

[Begin recording] [Jose Miguel Alfaro] [passage omitted] APEC leaders will meet on 15 November at Bogor Palace. During this meeting, Chile will become a full member of this economic group.

Participation at the APEC summit will be the height of Frei's Asian-Pacific tour, which began in Australia.

Following a 30-hour visit to Sydney, during which he met with Prime Minister Paul Keating and Australian businessmen, Frei traveled to Indonesia.

Frei talked with journalists on the plane on his way to Indonesia. After stressing the importance of Chile's membership of the exclusive APEC club—which represents 45 percent of the world GDP—Frei discussed Chilean issues.

He said the recently announced economic measures are in line with the government's goals.

[Frei] I believe the measures recently announced by the Central Bank and the Finance Ministry form part of the announced Central Bank plan to lower interest rates. This represents the second stage because the first was already adopted a few months ago.

I believe this is important because it is a clear sign that the economic adjustment process is ending. All the steps that have been adopted were implemented in a prudent and gradual manner; and more importantly for the country, through fluent and permanent contact with Central Bank officials.

[Alfaro] [passage omitted] The presidential plane arrived at the (Jalim) airport in Jakarta at 1700 local time, 0700 Chilean time. President Frei was welcomed by Indonesian officials and Chilean Foreign Minister Jose Miguel Insulza.

During his first day in Jakarta, the Chilean president will meet with several foreign heads of state and government. He is also scheduled to meet at the presidential palace with Indonesian President Suharto. [end recording]

Finance Ministry Reports Talks With Canada on NAFTA

PY1011212294 Santiago *ESTRATEGIA* in Spanish
4 Nov 94 p 7

[FBIS Translated Text] According to an official communique of the Finance Ministry, the negotiations between the Chilean and Canadian Governments on NAFTA began after the visit paid by Chilean Finance Minister Eduardo Aninat.

Yesterday, Aninat met with Prime Minister Jean Chretien, Finance Minister Paul Martin, and International Trade Minister Roy MacLaren. According to the official information, Aninat was invited to a dinner in his honor

on 2 November, which was attended by outstanding government and private business authorities. The information adds: "This is how the two countries began the talks on the NAFTA."

Aninat's visit was the result of an invitation by Canadian International Trade Minister MacLaren, who also offered to nominate Chile as an official candidate to join the NAFTA and to support its entry.

Before arriving in Canada, Aninat held an informal meeting in the United States with U.S. Treasury Secretary Lloyd Bentsen and Trade Representative Mickey Kantor.

Chilean Foreign Minister Jose Miguel Insulza, who is paying an official visit to the United States, said yesterday he hopes the trade talks between the two countries will begin next year.

After meeting in the White House with the advisers of President Bill Clinton on the hemispheric summit, Insulza talked with the Chilean and U.S. media.

Insulza only said there are no changes in the negotiation deadlines and reiterated his opinion that this process will begin in 1995 with the new U.S. Congress.

He added that the points of agreement between Chile and the United States on international issues "give me an optimistic view of our current relations. I believe this will be completed with a trade agreement in mid-1995."

Regarding the hemispheric summit to be held in Miami, Insulza said that only multilateral progress can be expected, and not agreements for a special country.

Insulza will meet today with Secretary of State Warren Christopher and Under Secretary of State for Inter-American Affairs Alexander Watson.

Minister Aninat Views Talks

PY1011223594 Santiago *EL MERCURIO* in Spanish
5 Nov 94 p B3

[FBIS Translated Excerpt] Chilean Finance Minister Eduardo Aninat has discussed the different possibilities regarding free trade agreements and on joining NAFTA with U.S. officials Lloyd Bentsen and Mickey Kantor, and with Canadian Ministers Paul Martin and Roy MacLaren.

Aninat left on 31 October for Canada. He made a three-hour stop over in Washington to talk with the U.S. treasury secretary and the trade representative about the hemispheric summit to be held in Miami, the APEC [Asia-Pacific Economic Cooperation] meeting to be held this month in Indonesia, and possibilities for a free trade agreement.

Aninat left for Canada at the invitation of Ministers Martin and MacLaren to discuss the possibility of progressing on an investment protection treaty between the two countries as proposed by Canadian officials last April.

Canadian companies have invested about \$3.1 billion in Chile, the second largest direct investment in the areas of mining, banking, telecommunications, fishing, and services.

The ministers also studied possible ways to promote bilateral trade which now stands at about \$300 million and which bears no relationship to the level of Canadian investments in our country.

Aninat said the third issue discussed with MacLaren and Martin, and briefly with Canadian Prime Minister Jean Chretien, refers to possibilities that may emerge in 1995 around NAFTA and free trade agreements.

Aninat added: "I have returned satisfied. I believe substantial progress has been made in bilateral Canadian-Chilean relations. The brief visit to Washington was also fruitful."

Regarding the mechanism for joining NAFTA and the requirements to be met by countries that want to join this organization—which have not been clearly defined in the treaty—Aninat said he believes membership may be proposed during the Miami summit.

Aninat added that before considering a fast-track or U.S. Congress authority for the Clinton administration to negotiate a treaty with Chile, the legislative efforts of the United States and of other countries are concentrated on approving the Uruguay GATT Round. This issue will be voted on 29 November in the U.S. House of Representatives and on 2 December in the Senate. Canada is also in the same process.

Aninat also commented on the first informal contacts between the government and the labor sector to discuss the salary adjustment of the public sector. [passage omitted]

Government Paper: Ties With Cuba To Be Resumed

PY1111160394 Madrid EFE in Spanish 1424 GMT
11 Nov 94

[FBIS Translated Text] Santiago, 11 Nov (EFE)—The government newspaper LA NACION reported today that Chile will resume diplomatic relations with Cuba before the end of the year, and probably after the Miami summit.

According to the newspaper, which does not cite sources, the decision has already been made by the government team, and all that is being studied now is the exact time when the decision is to be made.

The key element for this decision, according to the same source, was the position of the ruling Christian Democratic Party (PDC) International Relations Committee, which recommended to that party's board the normalization of diplomatic ties.

Until a few weeks ago, and despite repeated requests for the resumption of diplomatic relations by socialist sectors of the ruling Coalition of Parties for Democracy, the

PDC has been reluctant, conditioning such a move to "clear Cuban indications in favor of a process of democratization."

Diplomatic ties between Havana and Santiago were severed after the coup d'etat that ousted the Chilean Government headed by the Socialist Salvador Allende, and were resumed at consular level in 1991, after the recovery of democracy in Chile.

During the administration of Patricio Aylwin (1990-94), the decision was on the point of being made on more than one occasion, but the requirement imposed was that Fidel Castro's regime should fulfill some conditions.

Among these decision we can cite, in addition to the signs of democratization, the release of a Chilean prisoner and an explicit commitment to not support armed groups of the extreme left, with which Havana fully complied.

When President Eduardo Frei assumed power in March 1994, the decision was in practice contingent upon a trip by the PDC board to Cuba, which in the end was never made.

In international forums, the new Chilean Government adopted a double position: opposition to the unilateral U.S. economic blockade, and support for resolutions that condemn the human rights situation in the island.

At the end of August the visit by Cuban Foreign Minister Roberto Robaina to Chile, on the agenda of which the issue of reestablishing relations was not included, was one of the best occasions for the Castro regime to explain its difficulties and its policies of economic and political renewal.

It was also an excellent opportunity for awakening the interest of local businessmen in investing in the island, where Chilean capital has already been flowing after the visits of several business delegations.

In 1993, Chile exported to Cuba products worth \$4.5 million, against \$200,000 worth of imports.

According to LA NACION, Andres Allamand, president of the opposition party National Renewal, has agreed with the proposals for the reestablishment of diplomatic relations.

Government Denies Resumption of Ties

PY1111201094 Madrid EFE in Spanish 1730 GMT
11 Nov 94

[FBIS Translated Excerpt] Santiago, 11 Nov (EFE)—The Chilean Government today denied that a decision has been made to resume full diplomatic relations with Cuba, as reported by the government newspaper LA NACION.

The newspaper said, on its front page, that the resumption of diplomatic relations with Cuba is on the government's "secret agenda," the decision has already been made, and only the date needs to be established.

"That is not true" said Foreign Relations Under Secretary Mariano Fernandez, while Minister Secretary General of Government (spokesman) Jose Joaquin Brunner said, in a brief comment, that the information "has no basis." Fernandez added that relations so far involve consular and commercial ties. He also noted that there is "growing activity by private investors" in Cuba but emphasized that "the Chilean Government has not made a decision on resuming relations." He said: "There has been no decision different from what we have now. Relations with Cuba are at the same level they have been."

Asked when the ties with Cuba would be resumed, Fernandez said that on these matters "governments evaluate the situation in order to determine the appropriate time." [passage omitted]

Colombia

Vice President Views Cancellation of Drug Referendum

PA1111035094 Santa Fe de Bogota EL TIEMPO in Spanish 2 Nov 94 p 3A

[Interview with Vice President Humberto de la Calle Lombana by unidentified reporter at Narino Palace in Santa Fe de Bogota—date not given]

[FBIS Translated Text] [Reporter] You championed a referendum. Did the president override you?

[De la Calle] No. The decision was adopted by agreement. Remember that the president said in his 7 August inaugural address that he would endorse a referendum on the decriminalization of drug use. During the campaign he defended the idea. Later, he and I agreed it was not the most advisable thing, and we began to review other alternatives.

[Reporter] Why the sudden change, if, as you recall, the referendum was a campaign pledge?

[De la Calle] It was not sudden. After reviewing the idea, we found it would be a costly enterprise and difficult to carry out, because of the electoral fatigue in the country, among other things. The president and I believed it was necessary to avert these risks and that it would be better to directly approach Congress to propose constitutional reform.

[Reporter] Four months ago, in an EL TIEMPO forum, you said it would be advisable to seek a popular consultation to counter the damage caused by rulings such as the one from the court...

[De la Calle] The speaker and the listener often have very different ideas about what has been said. Essentially, I still think the same: The referendum would not have been a challenge to the court. Quite the contrary, it would have been a suitable and democratic means of

reaffirming the court's decision. Nevertheless, the Constitutional Court did not perceive it this way. The truth is that the government is not interested in picking fights with other state branches.

[Reporter] Did the Constitutional Court president or some magistrate approach you or President Samper to turn back the referendum process?

[De la Calle] No. No one approached me. However, judging from the public statements given by officials and magistrates, I realized the court was being treated disrespectfully. This could not continue, because we fully respect the rule of justice and the independence of other state branches.

[Reporter] What about the half-million signatures that those who sponsored the referendum, led by you, have gathered?

[De la Calle] The signatures that were initially gathered allowed us to register the initiative with the electoral authorities. We had not started the second part of the process, as specified by the law.

We will now use this ample support to push for a constitutional reform initiative in Congress. We trust Congress will discuss this in a broad and participative forum.

The funds and other support offered by the private sector will be used, according to a decision I have just made, in a campaign against drug abuse. It involves contributions, whether in cash or other forms.

[Reporter] Does this mean you will not give up the idea of countering the decriminalization of drug consumption?

[De la Calle] Absolutely not. Tomorrow (2 November), the justice minister and I will submit the legislative bill. We will submit it to the First Senate Committee. We hope Congress heeds the nation's general demand that opposes drug use.

[Reporter] Are you concerned about the way in which the referendum's cancellation will be interpreted overseas?

[De la Calle] Following the explanations we have given, which I believe are clear, I think the international community will understand it perfectly.

Chamber Commission Receives Death Threats

PA1211123894 Santa Fe de Bogota Inravisión Television Cadena 1 in Spanish 1730 GMT 10 Nov 94

[From the "National Newscast"]

[FBIS Translated Text] Army of Death to Evildoers—this is the name used by a new group that recently announced its existence through a letter addressed to the Congress president, dropping a copy to the First Commission of the Chamber of Representatives.

Why was the letter sent to the First Commission? Answer: The so-called narco-project currently being debated by the commission, which is aimed at stopping illegal enrichment and the activity of serving as a front man from being considered a crime.

[Begin Senator Mario Rincon recording, in progress] ...are quite aware of what we have in front of us, and the magnitude of the project. I am also aware that whatever decision we adopt is going to be an honorable one. [end recording]

One part of the letter's text points out: We are going to defend ourselves mercilessly from villains like you. We plan to wipe out the drug traffickers, the damn guerrillas, the kidnappers, and other scourges from the face of the earth.

[Begin First Commission Chairman Adalberto Haimés recording] We are calm and plan to continue debating the project regardless of the threats. [end recording]

Report Links Mayors to Traffickers, 'Guerrillas'

PA1211162594 Santa Fe de Bogota Invision Television Canal A Network in Spanish 0000 GMT 11 Nov 94

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] The "Seven O'Clock" newscast today gained access to a secret intelligence agency document in which several recently elected mayors in various cities and towns are linked to drug trafficking or guerrillas.

In view of the seriousness of this report, we have identified the source of the information, and our cameras will show the document. Let us see who the mayors are. This is the first report on this document, which was obtained by the "Seven O'Clock Newscast." [video shows pages of report bearing the following typewritten heading: "Judicial Police and Investigations Subdirector, Central Intelligence Unit, Intelligence Information on Some Elected Mayors"]

The Central Intelligence Unit under the Judicial Police Subdirector, prepared this document based on investigations conducted by its agents of some mayors-elect. According to the document, several of them have or have had links with drug traffickers or subversive groups. Let's take a look:

According to intelligence reports, Medellin Mayor-elect Sergio Gabriel Naranjo Perez is listed as having links with the Medellin Cartel. The report mentioned several of Naranjo's professional activities, including that of president of the Atletico Nacional Club.

Maico Mayor-elect Jose Antonio Hernandez Fernandez is listed as a member of the Costa Cartel and also as a paramilitary leader. In 1990, Colonel Carlos Alirio Meza, La Guajira police commander, linked him to a

drug trafficking ring from which 77 kg of cocaine were confiscated. His brother, Alfredo Hernandez, was also implicated in the case.

According to the document, La Dorada Mayor-elect Jose Nicolas Gomez Montes received support from drug trafficker Jairo Correa Alzate.

El Chaparral Mayor Guillermo Cardenas was listed as having received financial assistance from El Tolima drug trafficker Humberto Prada.

Priest Pancelino Camargo Parada, mayor-elect of Cucuta, is mentioned as an ELN [Army of National Liberation] militia leader, activities to which he has been linked since he was priest of the Antonia Santos neighborhood in 1992.

Aguazul Mayor Carlos Arturo Ramirez is listed as being a collaborator and supporter of the ELN.

Tauramena Mayor Gundisalvo Vega Sanabria is listed as a supporter of the FARC [Revolutionary Armed Forces of Colombia] 38th Front.

Newly elected Tamara Mayor Anaberli Roncancio is listed as being a collaborator with the FARC 28th Front.

Sogamozo Mayor-elect Gustavo Suarez Nino is listed as a collaborator with the EPL [Popular Liberation Army] and the ELN.

Armenia Mayor Efren Tovar Martinez is believed to have links with rebels.

Finally, Gustavo Burbano and Ronaldo Ortega Calderon, the mayors of Cartagena del Chaira and Bucaramanga, respectively, were also listed as guerrilla collaborators.

Meanwhile, an intelligence document from the Army specifically mentioned how and where guerrillas obtained electoral victories and in which municipalities their political influence decreased.

According to Army intelligence, the worst situation is in Cundinamarca: Twelve mayors who are presumed collaborators or members of guerrilla groups were elected. The report noted that this is worrisome because it shows the rebels' interest in having a presence near the capital of the Republic, which is seen as a fundamental strategic objective.

In Cauca, the Army report states, guerrillas won elections in six municipalities near the Pan-American Highway with candidates representing Indian movements. This area is vital due to its proximity to Cali.

Guerrillas now control four mayoralities in Arauca and three in Cesar.

The guerrillas lost ground in Uraba, the rest of Antioquia, Norte de Santander, and Huila, although they still control some mayoralities. In Narino, however, they went from controlling one mayoralty to six.

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Army intelligence expressed great concern over the election of two mayors in coffee-producing areas where the guerrillas had previously been unable to gain a foothold. They also noted the election of mayors in three departmental capitals: Pereira, Cucuta, and Riohacha, cities that have exhibited signs of advancement of urban liaisons.

Interior Minister Downplays Report

PA1311001294 Santa Fe de Bogota Inravision
Television Cadena 1 in Spanish 0000 GMT 12 Nov 94

[Report by Juan Manuel Ruiz; from the "24 Hours Newscast"]

[FBIS Translated Text] Interior Minister Horacio Serpa said today a report implicating 40 newly elected mayors in guerrilla activities and linking them to drug trafficking is a preliminary investigation without official endorsement. Interior Minister Horacio Serpa Uribe downplayed a police intelligence report implicating newly elected mayors with the guerrilla forces and drug trafficking:

[Begin Serpa Uribe recording] That report belongs to something which was being done and was leaked. It concerns the government's responsibility to investigate the political situations in the country. It is not an official document. [end recording]

Serpa also reiterated he will not accept regional talks being held in any department of the country:

[Begin Serpa Uribe recording, in progress] ...without the government's authorization, and there is no authorization. These types of measures cannot be carried out by any governor or [sentence as heard] [end recording]

Leader of Cali Cartel Explains TIME Interview

PA1111000894 Santa Fe de Bogota EL TIEMPO in Spanish 7 Nov 94 p A-6

[Text of a letter from Gilberto Rodriguez Orejuela, alleged leader of the Cali Cartel, to EL TIEMPO newspaper columnist Juan Lozano dated 31 October; place not given]

[FBIS Translated Text] Dr. Juan Lozano

The Newspaper EL TIEMPO
Santa Fe de Bogota
Respected Doctor:

In your column of today, 31 October 1994, you pose certain questions which are extremely important and which I would like to answer as objectively as possible:

1. It is not true that authorities, especially the Search Bloc, are not after us. The search has become so obsessive that it is only focused on the Rodriguez Orejuelas and their families. It has gone to such aberrant extremes, for example, that the same residence is raided by three different forces—the Army, DAS [Administrative

Department of Security], and the police—on the same day, just because one of our relatives lives there. You can easily verify this raid with the raid action reports that should be available at state security organization offices.

2. The reason why I gave an interview to TIME magazine through Mr. Tom Quinn was only because I wanted the message to get directly to the U.S. Ambassador and, through him, to the U.S. Government.

I sincerely believe the U.S. Government must participate (even if unofficially) in the talks that have to be held to reach a fair juridical-political agreement for the parties. It seems, however, this point has been misinterpreted by the DEA, or, perhaps, this organization wants Cali to become a second Medellin (during the times of Mr. Escobar), a situation that will not happen today or ever.

3. The "Cali Cartel" is a sophism of distraction that is even encouraged by drug traffickers in other regions to be able to send their cocaine shipments to the United States and Europe without difficulties. It is also used by certain investigators to cover up their failures in the struggle against drug trafficking activities.

There are many cartels (if you care to call them this word) in Colombia which depend on only two or three people with whom they associate to traffic, which do not have any type of hierarchy, and whose members move about the entire country without anyone noticing. I believe, with all due respect, public opinion cannot continue being deceived with false intelligence reports or hasty statements indicating there is a cartel which is all-powerful, which does everything, and which is governed by me. Nothing is more false or biased than this statement.

4. I have firm and serious intentions of submitting myself to justice under the parameters established in the Constitution and the law and with at least the consent of the United States, as it is the one that has directly accused me of being a drug trafficker.

The famous lecturers Roger Fisher and William Ury say in their book, Yes.... I agree!: "Make them interested in the results by giving them participation in the process. It is improbable they will approve of the result if they do not participate in the process."

5. In the interview given to Mr. Quinn, I have said if the intentions are only to arrest the Rodriguez Orejuelas, they are in their right to do so if they have an arrest warrant. This move is not going to solve, however, the drug trafficking problem; there will be an offer as long as there is a demand.

There is a generational change in the drug trafficking business. There are many people today under 30 years of age who have no criminal records and are not known by Colombian and much less DEA authorities who are working in this business full time.

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I believe these people would like to legalize their situation, not to traffic in drugs any longer, and to surrender to justice with the sole condition that those against whom there is evidence will be jailed and those against whom there is no evidence will not have to go to jail. This is how justice works here and in any part of the world and is in what they believe.

I am certain this goal can be achieved in a very high percentage, without dishonesty, delays, and without violence.

When Tom Quinn asked me how it could be verified that these people were truly going to stop trafficking and to comply with what is agreed upon, I told him that the demand would have to go down, that the price of an equal demand of cocaine should be four or five times higher on U.S. streets, and, besides, that the seizures would then be less.

6. There are many reasons for my wanting to surrender to justice, but the most important are:

A) I love my family.

B) To demonstrate how deceived are those who have labeled me a big drug trafficker and chief of the Cali Cartel.

C) Because the law of nature tells us we must respond for our action by surrendering to justice, but in no way to injustice, as the general prosecutor of the nation wants.

Sincerely,
Gilberto Rodriguez Orejuela
Cali identification card No. 6.067.015

Defense Minister Views Search Bloc Raids in Cali

PA1311195594 Santa Fe de Bogota Inravisión Television
Canal A Network in Spanish 1730 GMT 11 Nov 94

[From the "Midday Television Newscast"]

[FBIS Translated Text] During today's visit to Cali, Valle del Cauca Department, Defense Minister Fernando Botero confirmed that the Search Bloc has been conducting operations since yesterday morning in the entire Valle del Cauca Department. Although no arrests have been made in the operations, valuable information on the area's drug traffickers has been seized.

[Begin Botero recording] We have searched areas and made satisfactory progress. We are awaiting results that may be obtained this afternoon or tomorrow. [end recording]

Over 30 raids have been conducted in cities like Jamundica, Artago, Buga, Dagua, Cali, and Tulua. The defense minister today handed a helicopter over to the Cali Metropolitan Police. In addition, the Cali Surveillance and Security Fund provided the police with 30 high-speed motorcycles, 20 station wagons, 10 patrol cars, and 100 communications radios.

'Guerrilla' Leaders' Transfer Seen as Step Toward Talks

PA1411034294 Santa Fe de Bogota Inravisión Television
Canal A Network in Spanish 0130 GMT 13 Nov 94

[From the "AM/PM Newscast"]

[FBIS Translated Text] Speaking to mayors from all over the country, President Ernesto Samper announced his policy regarding the guerrillas and said that it will be the sole responsibility of the president of the Republic, commander in chief of the Armed Forces.

[Begin Samper recording] My administration has made a commitment to peace. Next week, when my administration has completed its first 100 days, the high commissioner for peace will present a detailed report explaining the current state of peace and making new recommendations for progress. As I said in my inaugural speech, in order to achieve peace, I will not disregard any voice or effort that can contribute in good faith toward a climate of understanding. I am convinced that it is everyone's job to build peace. [end recording]

While Samper announced his policy on the rebels, ELN [National Liberation Army] and EPL [People's Liberation Army] leaders were transferred from battalion headquarters to prisons. The guerrilla organizations had made peace talks conditional upon this transfer.

EPL Commander Francisco Caraballo and ELN leader Bernardo Bermudez, alias Francisco Galan, were transferred today to La Modelo and Itagui prisons, respectively. This newscast was the only medium allowed to enter the premises and see Caraballo's place of internment at the Itagui high security prison.

Political analysts have interpreted the guerrilla leaders' transfer as a government green light for a new peace dialogue. A path has been opened for peace. At least this is what one can infer from Galan and Caraballo's transfer from military garrisons to civilian prisons this morning.

[Begin Defense Minister Fernando Botero recording] No, I do not interpret it that way, although some people could. Anyway, we are honoring a request from the Prosecutor General's Office. [end recording]

Several months ago, one of the demands of the ELN's top leader, priest Manuel Perez, was precisely that Caraballo and Galan should be transferred to civilian prisons. This transfer is now a reality and without a doubt the clearest move on the chessboard of peace during the first 100 days of waiting for a possible dialogue between the government and the rebels.

For the time being, it is only necessary to wait for Carlos Holmes Trujillo, high commissioner for peace, to approve the two rebel leaders acting as mediators so the negotiations can be initiated.

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Since he was captured in Bucaramanga 11 months ago, Bermudez, alias Galan, has been held in several military garrisons and the Modelo prison. Six months ago, Caraballo asked the government minister himself to be transferred so he could be away from the military garrisons. Before the transfer today, the two men were given medical checkups by authorities to verify their health.

In addition, criminal Carlos Mario Alzate, alias El Arete, a member of the Medellin Cartel, was transferred to the Itagui maximum security prison in Antioquia.

ELN Leader Transmits 12 Proposals to Fronts

PA1311000794 Santa Fe de Bogota EL TIEMPO in Spanish 9 Nov 94 pp A-1, A-15

[Report by Rubio Miller]

[FBIS Translated Text] A document dubbed "12 Proposals for Creating a Strategy for Peace" was transmitted on 16 October to the fronts of the ELN [Army of National Liberation] by Nicolas Rodriguez Bautista, alias "Gabino," second in command of that organization.

The document includes the insurgents' agenda for an eventual negotiation process with the government.

Judging from a clandestine conversation intercepted recently by a police electronic surveillance team, the ELN has outlined 12 issues to take to the negotiations table with the government in case of eventual negotiations.

The ELN proposals include subjects ranging from the reduction of military spending and restrictions to the Military Code to the substitution of the economic opening, which the guerrillas have dubbed "a model for industry incentives."

Other topics mentioned are: profits from illegal assets; severe punishment for cases regarding illegal enrichment; renegotiation of the debt; revision of contracts with international oil companies; and a new proposal on the policy governing the exploitation of nickel, carbon, and other minerals.

Paradoxically, the ELN would also propose at the same time a strategy for "ecological equilibrium" to preserve natural resources.

An intelligence division intercepted a message on 16 October which, according to the police, Nicolas Rodriguez Bautista, alias "Gabino", read himself. Rodriguez is described by the authorities as the ELN's second in command and one of the main plotters of the attacks and attempts carried out by that guerrilla group.

"Gabino," who was apparently speaking to the leaders of ELN groups, read a document the rebels have dubbed "12 Proposals for Creating a Strategy for Peace."

According to the conversation intercepted by the authorities, the ELN will propose the "demilitarization" of

various zones, the persecution of paramilitary and self-defense organizations, and legal sanctions for their members, financial agents, and leaders.

The possibility of the police reporting directly to the Justice Ministry seems to be another of the ELN's priorities. The ELN would also propose a drastic reduction of the state's intelligence agency.

Regarding economic matters, "Gabino" spoke on the need to substitute economic opening with what he called "a policy of incentives, above all regarding national industries and the agriculture and Livestock Sectors, facilitating loans, building an infrastructure, top notch auditing information on technology, and markets for the products."

The contents of the document transmitted by Rodriguez Bautista argue that the foundation of economic development should be based on respect for rights of workers and the opening of new job sources derived from different forms of organization in the production sector. The ELN will propose the "renegotiation of the foreign debt to stop the so-called exportation of capital that should be invested in further development."

"Gabino" also mentioned "a reorganization of the management and exploitation of natural resources, such as coal, oil, emeralds, platinum, nickel, and others."

In addition to these points, the ELN would again propose to revise the association contracts signed with transnational corporations so as to demand their fulfillment and the construction of new refineries, which would make self-sufficiency possible. The list of demands also includes the creation of a national energy commission, which would regulate everything related to this field.

According to the analysts, the ELN's position is only slightly different from the proposals the organization presented during the failed Tlaxcala, Mexico, talks. For instance, the ELN insists on the government's duty to provide education, health, housing, transportation, culture, recreation, and services, all of which had been discussed in Tlaxcala.

The document contains a portion devoted to the demand for stiffer penalties against those found guilty of corruption, the trial of officials guilty of the illegal acquisition of money, and the return of ill-gotten money and goods.

The criminal organization proposes in the document a thorough revision of the judiciary so as "to give it every possible instrument for the prompt, efficient, and impartial administration of justice and to eliminate military immunity, the supreme expression of complicity, and the main cause of the existing impunity."

Regarding politics, the ELN says that electoral campaigns should be free of a military presence, that the National Civil Registry Office should be modified to

operate as a public branch, and that legal instruments should be provided for referendums and plebiscites, among other activities.

"Gabino" stated in the intercepted communication: "It is urgent to make the electoral process free, to provide better instruments for referendums, plebiscites, and impeachments, and to defend the full right to file petitions for protection.

Finally, the communication discussed the reallocation of land "wherever latifundio prevails," crop insurance, and access to seeds, pesticides, fertilizers, and technology.

The last of the 12 points proposed concerns compensation for victims of violence and the preparation of a "serious plan whereby the government can engage private enterprise in the solution of conflicts."

The message, broadcast by "Gabino" from an undisclosed location and intercepted by the police, has been turned over to the Defense Ministry and constitutes a preliminary instrument to assess what could be the organization's first firm step toward negotiations with the administration of President Ernesto Samper since Manuel Perez, the group's topmost leader, mentioned the possibility of a dialogue with the government.

Guerrilla Attacks Hinder Crop Eradication

PA1411025194 Santa Fe de Bogota EL TIEMPO in Spanish 12 Nov 94 pp 1A, 10A

[Report by Manuel Salazar Nieto]

[FBIS Translated Text] At the same time that the United States is increasing pressure on Colombia to destroy coca and poppy plantations, guerrilla attacks have become the biggest threat to the program to eliminate illegal crops. Authorities have reported 33 attacks on planes and helicopters and that pilots have quit after being forced to make several emergency landings. Drug police destroyed 12,000 hectares of illegal crops in 1993 but have destroyed only 5,500 hectares in 1994.

A smaller number of fields cultivated with illegal poppy and coca were destroyed this year, primarily as a result of guerrilla actions, natural phenomena, and the drug traffickers' ingenuity.

Most aircraft in the National Police Force fleet have been grounded after they were the targets of 33 attacks by armed groups in areas where the destruction of coca and poppy fields is under way.

Consequently, the government's human and technical resources available to spray coca and poppy fields from the air decreased 66 percent.

Due to problems like these, only 2,156 hectares of coca and 3,343 hectares of poppy have been destroyed this year in contrast with last year, when 9,821 hectares of poppy and 846 of coca were destroyed, according to police records.

This has prompted the authorities to draft an emergency plan and to revive Operation Termite in an effort to destroy at least the same number of hectares at last year.

This decrease in the front in the war against illegal drugs comes at a time when the United States, our country's most important ally in the struggle against drug trafficking, has made aid, among other things, conditional upon the eradication of illegal crops and when an unusual increase in the number of hectares cultivated with coca is beginning to be admitted, albeit unofficially.

After consulting with experts and authorities in charge of this work, EL TIEMPO discovered the main reasons that led to the drop in the destruction of poppy, coca, and marijuana plantations.

To begin, in the past 20 months guerrillas damaged 33 aircraft used in the eradication of illegal crops. "The subversive activities this year increased in the areas where there is a greater concentration of illegal crops. Several aircraft have been damaged, and their repair has delayed and suspended spraying from the air," according to a confidential report to which EL TIEMPO gained access.

As a consequence, spraying with glyphosate requires twice the amount of work because two helicopters are required to escort each spraying plane. In many instances, these planes are forced to go to areas where there are public disturbances and the spraying program is halted.

The document accessed by EL TIEMPO added: "Repeated guerrilla attacks have prompted the withdrawal of some pilots experienced in the operation of T-65 equipment, thus severely jeopardizing the air operations."

This creates another difficulty: Pilots must be trained abroad, which in turn results in a smaller number of coca plantations destroyed.

The guerrilla attacks have caused an additional problem. The lack and delayed arrival of spares for damaged T-65 planes and helicopters have negatively affected Operation Termite, which was outlined several months ago but had not been implemented until now.

In addition, according to the police, the destruction of poppy decreased in comparison to previous years because coca plantations started to be destroyed from the air. This created two different fronts between which the number of aircraft available for spraying had to be divided.

Considering that 20,000 hectares of poppy were destroyed in 1992, we must admit that the destruction of plantations has dropped by 75 percent.

According to authorities' analysis of the situation, another important factor is the prohibition, enforced this year, against using commercial airports as bases for spraying operations. "Pilots have had to use alternate

landing strips very far from plantations. For this reason, instead of making two or three flights a day, planes can make only one, thus they are able to destroy only one-half or one-third of the area normally destroyed under the best of circumstances," a source said.

Particularly bad weather in areas planted with coca, poppy, and marijuana has become one of the bitterest enemies of the illegal plantation destruction program. Yet nature has been even more relentless. A mud slide clogged the Paez River and blocked a large area in Cauca and Huila. Operation Termite had to be suspended because the spraying planes were needed to help flood victims.

Another external factor was this year's electoral process. Personnel normally devoted to the destruction of plantations were used for activities related to keeping public order. In addition, there have been extended water shortages in areas of greater eradication activity. Alternate landing strips have been put in operation in Pitalito, Huila, and Chaparral, Tolima.

To these problems must be added the ingenuity of drug traffickers, who have developed strategies against air eradication. They are now planting poppy deep in canyons, which are difficult for planes to enter, and on the banks of rivers and streams, where planes cannot spray without polluting the water.

Weather was also an obstacle to the eradication of plantations in 1994. Thick clouds, smoke caused by farmers who use slash-and-burn methods in open fields and the forest, and constant rain at spraying time also hampered the destruction of illegal plantations.

Other factors such as the lack of adequate landing strips for Turbo Trush planes must be considered. This absence entails longer flight time to and from the operating area and less time devoted to actual spraying. Further, operations had to be suspended because of the rumors, officially denied, that about 20 Upper Naya, Cauca, children had died from glyphosate poisoning.

Defense Ministry Confirms Promotions

PA1411005194 Santa Fe de Bogota EL TIEMPO in Spanish 10 Nov 94 p 8a

[FBIS Translated Text] The Colombian Defense Ministry Advisory Board has recommended that two National Police colonels attend a promotion course [curso de ascenso] next year to become eligible for the rank of brigadier general.

The Defense Ministry also confirmed the promotion to the rank of general of Colonels Teodoro Campo, police commander of Atlantico Department; Hugo Martinez Poveda, director of Dijin [Judicial and Investigative Police Directorate]; and Alfredo Salgado Mendez, commander of the Medellin Metropolitan Police.

The decision also favored 14 lieutenant colonels, 32 majors, 37 captains, 13 lieutenants, and 149 sublieutenants, who were promoted to the next rank.

The colonels who will attend the promotion course are Ismael Trujillo Polanco, director of the General Santander Cadet School, and Alfonso Leon Arellano Rivas, police chief of personnel.

Trujillo specialized in administrative law at the University of Rosario and has taken police courses in Peru, Spain, and the United States. In the police force, Col. Trujillo has served as deputy director of personnel, acting inspector, deputy director of Dijin, and commander of the Cauca Department police force.

Col. Arellano Rivas was associated with the Counternarcotics Police between 1990 and 1992. He was responsible for the confiscation of 16 tons of cocaine from the Medellin Cartel in Cordoba during that period.

In that operation, the officer participated actively in an investigation that led to the capture of those responsible for the death of Captain Pedro Rojas, who was Dijin counternarcotics director at the time.

Arellano Rivas was commander of the Cordoba Department Police and is currently its personnel director.

Paraguay

Appointment of New Senad Head Causes 'Surprise'

PY1011163294 Asuncion NOTICIAS in Spanish 10 Nov 94 pp 16, 17

[FBIS Translated Text] The outcome of the meeting of the Armed Forces Promotions Board came as a complete surprise to even the most optimistic of citizens—a military man was once again appointed executive secretary of the National Antinarcotics Secretariat (Senad).

In fact, following the meeting of the Armed Forces Promotions Board on 9 November, President Juan Carlos Wasmosy himself announced that Division General Jose Tomas Centurion will replace Brigadier General Juan Evaristo Gonzalez Maldonado—who had been appointed following the murder of General Ramon Rosa Rodriguez (SR)—as the new head of Senad.

Gen. Centurion—who until yesterday had been commander of the Military Training Institute Command—graduated from the Military School in 1958 and belongs to the communications arm. He was promoted to the rank of general in 1993.

All political sectors in Paraguay expected that a civilian, or at least a retired military man, would be nominated for this post. The name of National Encounter Alliance Deputy Euclides Acevedo had been insistently bandied about as the next Senad head, as he had interesting contacts abroad to fight drug trafficking.

Nearly all congressmen endorsed Acevedo's appointment to that post, and had expressed their satisfaction that he would be the likely successor of the then Senad executive secretary, Brig. Gen. Gonzalez Maldonado.

According to military sources, Wasmosy did not want to part with one of his military men, and decided to name him head of Senad instead of ordering his retirement.

The Armed Forces Promotions Board also decided that Colonel Victor Aparicio Lugo Quintana, who was until yesterday chief of the Senad Interceptions Department, will go into retirement.

Col. Lugo Quintana was exceptionally good in the performance of his duties within the Senad. He was also one of the first to arrive at the place where the first attempt on Gen. Rosa Rodriguez's life was made.

Promotions Board Retires, Promotes Generals

PY1011214794 Asuncion NOTICIAS in Spanish 10 Nov 94 pp 14, 15

[FBIS Translated Text] The Armed Forces Promotions Board yesterday approved the retirement of 10 generals, promoting 13 colonels to positions that must be exclusively held by generals. The meeting, held in the building that houses the office of the commander in chief, lasted nearly 14 hours. The result in some way contradicts President Juan Carlos Wasmosy's rationalization policy.

The report released to the press by the commander in chief [President Wasmosy] says that Division Generals Pedro Concepcion Ocampos, Jose Cespedes Zarza, Evelio Favio Benitez Santacruz, Iran Centurion, and Vice Admiral Flavio Abadie Gaona will be given retirement. Also retired were Brigadier Generals Jose Felix Pavon; Adalberto Fleitas Martinez; Mario Barreto Aguero, who until yesterday was First Army Corp chief of general staff; Quartermaster Corps Brigadier General Benito Miranda, until yesterday director of the Quartermaster Service; and Health Service Brigade General Lorenzo Morel, former director of the military health service.

Also promoted were Navy Commander Rear Admiral Carlos Guillermo Lopez Moreira; Air Force Commander Brigade General Cesar Cramer; Joint Staff Chief Roosevelt Benitez; 2d Corps Commander Federico Magno Candia; and Jorge Mendoza Gaethe, who was appointed commander of the Military Training Institute Command, replacing Division General Jose Tomas Centurion.

Colonels to Brigade General

The Promotions Board also promoted Colonel Eulogio Rodriguez Acevedo, who will head the Communications Command. Colonel Hernan Ortiz was named director of the Army Quartermaster Service, replacing General Benito Miranda.

Colonels Antonio Martinez, Cirilo Velazquez, and Mario Galdona were named chiefs of staff of the 1st, 2d, and 3d Corps, respectively.

Colonel Mario Livio Espinoza was also promoted. He will head the First Air Brigade. Luis Ferreira Garbini

and Odalio Palacios, who are the commanders of 3d and 4th Infantry Divisions, respectively, have also been promoted.

Colonel Cesar Ferreira Sanchez, 3d Cavalry Division interim commander, and Navy Captain Manuel Royg Benitez, interim Navy General Staff chief, are also on the list of officers who will be promoted.

Colonels Cesar Vera Valenzano, Sindulfo Ruiz Ramirez, and Fausto Facceti were named Military Health Service director, General Staff and Command School director, and Military Supreme Court justice, respectively, and will also be promoted at the end of the year.

Other Changes

Brigade General Jorge Mendoza Gaethe was named new commander of the Military Training Institutes Command, Brigade General Abelardo Vera Alarcon was named new defense vice minister, and Brigade General Jose Segovia was named commander of the "Mariscal Francisco Solano Lopez" Military School.

Retired General: Promotions Favor Oviedo

PY1111164494 Asuncion ABC COLOR in Spanish 11 Nov 94 p 3

[FBIS Translated Text] Retired General Favio Evelio Benitez Santacruz told our newspaper yesterday that the recent Armed Forces changes benefit only Army Commander General Lino Cesar Oviedo. Benitez said that Oviedo is pursuing either one of two objectives: first, to become the Colorado Party presidential candidate himself or, second, to become military forces commander and be able to pick the next Colorado Party presidential candidate.

"It is obvious that Oviedo benefits the most, and his participation in the recent changes is clear. Besides, President Wasmosy cannot order all those changes, because he does not have a general staff; the staff that is in place is subordinated directly to the military forces commander. Wasmosy is, perhaps, the only commander in chief in the world who does not have a general staff," Benitez said.

Benitez added that Wasmosy's lack of influence as commander in chief was obvious during last September's first changes, when he was removed from his post together with Pedro Concepcion Ocampos, Flavio Abadie, Jose Cespedes Zarza, and others.

"These changes were made hastily and without notifying the Joint General Staff chief (Gen. Ocampos). He participated in a military celebration on Friday night, and three hours later, during the early morning hours of 24 September, the changes were announced. Not even Ocampos knew he was going to be removed. He did not know that the other general officers were going to be retired, either," Benitez said.

The retired general said it was also worth noting that all relevant positions are headed by cavalry officers [Gen. Oviedo's branch]. "The cavalry has preeminence, and this reveals Oviedo's hand in the choosing. It suggests that he wants to deploy his team in order to be well-positioned to reach the presidency or have the military forces command, where he would have absolute power."

We tried to contact Gen. Oviedo to learn his opinion on Gen. Benitez' remarks, but the Army Command informed us that Oviedo was touring military units subordinated to his command. This fact made communication with him impossible, the officer who answered the phone said.

Wasmosy Denies Privileged Faction

*PY1111180494 Asuncion ABC COLOR in Spanish
11 Nov 94 p 4*

[FBIS Translated Text] President Juan Carlos Wasmosy yesterday rejected a suggestion that military officers who are not General Lino Oviedo's "friends" have little future in the Armed Forces. "Ask him if Colonel Facetti (Fausto) was recommended by Gen. Oviedo," Wasmosy said. Facetti will be promoted to brigade general. In addition he was named Military Justice Supreme Court president at the last Armed Forces Promotions Board meeting.

"Gentlemen, look here... I respect other people's opinions, but I do not share them. I want you to know that I have done exactly what my conscience told me to do based on people's seniority and capacity. Regrettably there are few seats to distribute among very qualified people, such as the colonels who had to retire," Wasmosy said.

Reporters mentioned to the president the rumor that there is an Armed Forces faction that is allegedly supporting Oviedo for the presidency in 1988. Wasmosy said: "The rumor is entirely false."

The president said: "Tell me who has been treated with privilege in the Armed Forces. I maintain an exact balance of power. There are 10 infantry generals, nine cavalry generals, and three generals each in the other branches, except for the Navy, because Vice Admiral (Eduardo) Gonzalez Petit is the military forces commander. [no closing quotation marks as received]

The president announced he had named Division General Silvio Rafael Noguera, currently the presidential military cabinet chief, his representative in Congress. Noguera will not retire, the president said.

Wasmosy said Noguera will represent him in his capacity as Armed Forces commander in chief, not as president of the Republic. Wasmosy added that he made that decision "because I feel it is really necessary... People talk, give their opinions, assume things... There is total ignorance about what the Armed Forces really are," the president said.

Brigade General Juan Evaristo Gonzalez will replace Gen. Noguera at Government House. Gonzalez had been designated the interim commander of the National Antinarcotics Secretariat after (Retired) Gen. Ramon Rosa Rodriguez's assassination. He was also the president of the Military Justice Supreme Court.

Peru

Shining Path Bombs 2 Lima Bank Offices

*PY1111132794 Madrid EFE in Spanish 1147 GMT
11 Nov 94*

[FBIS Translated Text] Lima, 1 Nov (EFE)—The Shining Path terrorist group last night attacked with explosives two Credit Bank offices in Lima, causing property damage but no casualties.

The attacks took place last night against an office of this bank on Colonial Avenue, which links Lima with the port of Callao, and early this morning in downtown Lima.

On 10 November the Shining Path terrorists attacked the Peruvian Air Force Officers' Club with a car bomb, causing considerable property damage but no casualties.

The attacks took place during the presence in Lima of Argentine President Carlos Menem.

State of Emergency Extended in Ucayali, Huanuco

*PY1111205594 Lima Radio Programas del Peru
Network in Spanish 1800 GMT 11 Nov 94*

[FBIS Translated Text] The government, at the request of the Armed Forces Joint Command, today extended for 60 days the state of emergency in Coronel Portillo and Padre Abad Provinces in Ucayali Department. According to the supreme decree that was published in the official gazette, the state of emergency also covers Ucayali Province in Loreto Department and Puerto Inca Province in Huanuco Department.

The decree adds that the individual rights related to the inviolability of residence, peaceful gathering without weapons, and arrest only on a court warrant continue to be suspended.

Argentina's Menem Addresses Congressional Session

*PY1011164394 Buenos Aires TELAM in Spanish 0329
GMT 10 Nov 94*

[FBIS Translated Text] Lima, 9 Nov (TELAM)—President Carlos Menem today stressed the similarities between the Argentine and Peruvian pacification processes, which have permitted both countries to face modernization and development after fighting terrorism.

Menem told a special congressional session convened in his honor: "Only democracy can grant us the possibility of modernization and Latin American integration."

He said: "Freedom, democracy, and the state of law represent peace for our peoples," adding: "The present challenge is to reconstruct the republican tradition of liberator General Jose de San Martin."

The president said modernization "is prompted by democracy's recovery," stressing "the deep transformation that faces Peru."

Menem condemned terrorism, saying it "prevents any development or modernization" and called for a strengthening of integration and increased bilateral trade" [quotations mark as received].

The Argentine president said he is convinced "Latin America will continue to be the continent of hope, as Peruvian poet Cesar Vallejo used to say."

Menem described Peru as "brotherly, because our two countries have always cooperated, and friendly, but with the kind of friendship that only true friends share in difficult times."

Menem stressed the work of General San Martin throughout the continent, adding that his intention "was to liberate people, not conquer them."

The president then painted a picture of Argentina from the day he assumed the presidency, saying his government has "consolidated democracy in freedom with a deep respect for human rights."

Menem stressed Argentina's economic development during the past three years, adding that in 1994 inflation "will not exceed 3.5 percent." This remark was applauded by legislators.

The Argentine head of state was also applauded when he said foreigners, including "many Peruvians," with at least 10 years residency will be able to vote in the elections on 14 May 1995.

Earlier Menem visited Lima's City Hall where interim Mayor Ivan Divos handed him the keys to the city.

Praises Fujimori's Statesmanship

*PY1011181794 Buenos Aires TELAM in Spanish 0335
GMT 10 Nov 94*

[Report by unidentified TELAM correspondent in Lima, Peru]

[FBIS Translated Text] Lima, Peru, 9 Nov (TELAM)—On the evening of 9 November, President Carlos Menem described his Peruvian counterpart as a statesman who spearheaded a major transformation in his country, returning it to a state of law.

Menem said this when thanking Fujimori for having awarded him the Grand Cross of Diamonds of the "Order of the Sun," the highest distinction awarded by the Peruvian State.

This decoration was established by General Jose de San Martin [1778-1850, Argentine statesman and liberator of Chile and Peru] for "warrior liberators, virtuous citizens, and all distinguished men." San Martin fought for the independence of Peru.

The order has eight degrees, of which the Grand Cross of Diamonds is the highest and is awarded to heads of state, kings, and queens.

During a speech at Government House, the Argentine president said Fujimori "is not just a president; he is a statesman who has changed and transformed his country, returning it to a state of law."

Menem stated that Peru "is the homeland of great warriors who struggled for freedom and independence. It is thanks to their struggle that many nations now live in freedom and democracy."

Expressing hopes that Fujimori will soon visit Argentina, Menem said: "These gestures compel us, more than ever, to express solidarity and to become brothers in spirit since this will foster the greatness of our homelands and of Latin America."

Upon bestowing the Grand Cross of Diamonds, Fujimori said his Argentine counterpart "is a standard-bearer for Latin American integration, as we have seen in many international meetings."

Following the ceremony, Menem and his entourage, and Peruvian cabinet members participated in a banquet hosted by Fujimori in honor of his Argentine counterpart.

Meets With Businessmen

*PY1111030094 Buenos Aires TELAM in Spanish 2158
GMT 10 Nov 94*

[By Raul Berneri]

[FBIS Translated Text] Lima, 10 Nov (TELAM)—Argentine President Carlos Menem said today that national and foreign capital in Argentina have equal treatment and criticized those who advocate ultranationalist positions.

Menem said: "There are some people who have some kind of ultranationalist attitude and who are distressed by foreign capital."

In this regard he said "we have no problem," and gave as an example the investments made in Argentina by Chile, a country with which "we had 24 border problems and we have solved 23."

"We don't care when Chilean capital comes; more than \$4 billion has come from Chile, something that would have been unthinkable five years ago."

Menem reiterated that the government has no plans to devalue the peso in order to increase exports.

He added: "We are not thinking of devaluation under any concept because devaluing the currency to increase exports would mean taking away the resources from the workers' pockets, and taking away the value of the peso from their salaries and savings."

Upon speaking to a group of Peruvian businessmen and their Argentine counterparts who are taking part in the official visit to Peru, Menem said that the devaluation "is not in our calculations, or in our plans, because the Argentine currency is healthy and strong."

Menem lectured on the Argentine economic situation and its future during a breakfast working meeting with businessmen of the National Confederation of Private Businesses (Confiap), which gathers the different Peruvian productive sectors.

Menem pointed out the results of his government's privatization process and refuted the "opinion of those who say the costs of services have increased; on the contrary, some have decreased."

Menem also confirmed that the Mercosur [Common Market of the South] will go into effect on 1 January 1995 and that this organization will "give more strength to our economies." As an example, he said: "The effects of the Real Plan implemented in Brazil, which is yielding excellent results, can already be noted in Argentina."

Regarding the Argentine trade deficit, Menem said: "It should not be forgotten that we are emerging from a directed economy with captive markets."

He blamed the deficit on "the importation of capital goods needed to rejuvenate the factories and projects, and to meet the circumstances," but he denied that the deficit is the result of the importation of lavish products. He added: "But little by little we are overcoming this situation."

Menem also gave a picture of the Argentine economic situation when he took over the government and pointed out the main points of his program to recover financing and achieve economic recovery, which he summarized by saying: "What we want is to keep the current model."

Upon answering the question of a Peruvian businessman who supports the "privatization" of the Miami summit next month through the participation of businessmen, Menem called on them "to summon themselves" and not wait for decisions of "the paternalistic state we want to get away from."

Menem was accompanied by Foreign Minister Guido Di Tella, Argentine Ambassador to Peru Arturo Ossorio Arana, and International Economic Relations Secretary Jorge Campbell.

Peruvian President Alberto Fujimori came after the meeting to visit Menem in the Sheraton Hotel, from where the two presidents left for the Jose Galvez settlement, located among hills about 30 km southwest of Lima, to dedicate the Bartolome Mitre school.

The settlement is one of the so-called "young towns" which are poor neighborhoods that proliferate on the outskirts of Lima, a city that has almost half of the 22 million people of Peru.

Signs Cooperation Accords With Fujimori

PY1111143894 Buenos Aires TELAM in Spanish 0303 GMT 11 Nov 94

[FBIS Translated Text] Lima, 10 Nov (TELAM)—Argentine President Carlos Menem and Peruvian President Alberto Fujimori signed three bilateral cooperation agreements during a ceremony at Government Palace here tonight.

The agreements contemplate investment guarantees and protection, cooperation in the Antarctic, and scientific and cultural cooperation.

The agreement on Reciprocal Investment Protection and Guarantees seeks to give additional assurances to possible investors and to facilitate the work of the two countries' entrepreneurs, their investments, and the creation of joint ventures between Argentine and Peruvian companies.

Official Peruvian sources said that the purpose of this agreement reflects Argentine businessmen's interest in investing in the privatization process of President Alberto Fujimori's administration.

The two countries are also negotiating, within this framework, a second agreement on tax exemptions in order to avoid taxing the two countries' investments twice.

The second agreement signed today has to do with scientific and technological cooperation in the Antarctic.

Argentine sources said that Peru has a base in the Antarctic called "Machu Pichu" and needs Argentina's cooperation, particularly for logistical and resupply purposes.

Scientists at this base are carrying out a program of research on the atmosphere through the analysis of data produced by meteorological radar, which is of great interest to weather forecasting agencies.

The third agreement refers to educational, scientific, technical, and cultural cooperation, which will replace an older agreement, and which takes the equivalence of graduate degrees into account.

It was noted that 30 percent of all Lima Medical Association members had received their degrees at various Argentine universities, which is why professional circles lend so much importance to this agreement.

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[From Resumen Semanal; via Internet]

[FBIS Translated Excerpt] [Passage omitted]

Fujimori Leads Polls

President Fujimori has 46.4 percent of the voter preferences on the national level, according to the most recent CPI poll. Javier Perez de Cuellar [JPC] ranks second, with 18.7 percent. On a second round, the chief of state would win 64 percent of the votes, while the former secretary of the United Nations would have 31.3 percent. The surprise thus far in the electoral process concerns Alejandro Toledo, who has moved into third place, in terms of voter preferences, with 9.1 percent on the national level. In Lima, he is the preference of 11 percent of the voters. According to the CPI, Mercedes Cabanillas, the candidate of the APRA [American Popular Revolutionary Alliance], is in fourth place, with 3.5 percent of the voter preferences on the national level. Belmont has only one percent nationally and 2.2 percent in Lima, according to the CPI. (Most dailies 31 Oct 94)

JPC Expresses Views

On 27 October, Javier Perez de Cuellar announced that if elected president, he will propose amendments to the Constitution pertaining to the judicial branch, the elimination of the reelection option, and the reestablishment of a bicameral parliamentary system. The ambassador condemned the 5 April coup d'etat, stating that it was a violation of the Constitution and was unnecessary, in view of the special authority granted to the president by the Congress.

He promised to continue with the work of pacification. However, he stressed that he would put special emphasis on the elimination of poverty, which has served as a pretext for subversion. He challenged the statement that the success achieved in the pacification effort has been due to Fujimori alone. "One would have to ask the Armed Forces [FFAA] if Fujimori was solely responsible for capturing Guzman," he said. In a clear reference to President Fujimori, he maintained that he would not embark upon lavish or pharaonic projects, but would make better pay and training for teachers and better nourishment for students his focus. He said he believes the state should retain some share in the Petroperu [State Petroleum Agency] in order "to exercise some control." He said he favors privatization, but mainly through Peruvian investors. (Most dailies 28 Oct 94)

FFAA Should Be Nonpolitical

In an interview with the daily newspaper EXPRESO (30 Oct 94), Ambassador Javier Perez de Cuellar made the following statement: "I have never been either a leftist or

a rightist, but a man of the center. Nor have I participated actively in politics, because of my diplomatic career. Moreover, I believe the concepts to which the terms 'left wing' and 'right wing' refer are now obsolete, and pertain to past eras. I oppose statism, but a regulatory role for the state must be acknowledged. To reject this regulatory role is to agree with the Shining Path [Sendero Luminoso—SL] in its zeal to destroy the state. The campaign against Estrada is a pretext for a conservative campaign."

On the subject of the Armed Forces he said: "On 5 April 1992, a coup d'etat, which was at the very least not opposed by the military commanders, occurred. Their excessive politicization can lead to such situations. The important thing in this regard is to avoid the politicization of the Armed Forces and to safeguard the professionalism of the officers. If the promotion of the generals and admirals is left to the president, the military establishments become politicized, because officers must seek a political favor in order to win promotion."

A Civilian Dictatorship in Disguise

Javier Perez de Cuellar said in an interview with Mariella Balbi that "the application of two formulas known and practiced throughout the world cannot be called 'Fujimorism.' Fujimori, although he has done two things right, has made two very serious errors—centralism and authoritarianism. Probably there has never been as authoritarian a chief executive since the dictatorships Peru has experienced. This is a civilian dictatorship in disguise, but it is a dictatorship. We see it, we experience it every day. 'Fujimorism' is presented as a positive formula, whereas in reality, it is negative. Despite the positive things accomplished, there is a total lack of social sensitivity. However great the success achieved in pacification may be, the process is not yet completed. It will be an illusion for as long as the social problems are not resolved. We may have another Sendero or MRTA [Tupac Amaru Revolutionary Movement], but with a different name, if we do not find profound solutions to the social problems."

He said that "no one denies" the good things Fujimori may have done, but unfortunately, what has been achieved is incomplete. It is important that there be another individual, another government leader, to complete the work, and above all, to perfect it. Fujimori has been unable to give his economic policy the social sensitivity it visibly lacks. In addition, he is an autocrat, and we are living in a world in which what is prospering is democracy, while Mr. Fujimori represents the negation of democracy. And everyone knows that if Mr. Fujimori were elected—would that this does not happen—he would not have a parliamentary majority. Can one imagine an autocrat in this situation?"

On the subject of employment he said that "we have one very positive element—a certain economic stability. It is necessary to build on this foundation and to continue to make changes, because in a certain sense this is a false

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economic stability. What is happening is that in Peru, we forget the poor. How can one have economic stability when there are 12 million people suffering hunger? And this is not something I have invented. We are experiencing a stability that is a facade, is only formal. And it can lead people in other countries to believe that everything is fine here and to give us more money." (LA REPUBLICA 30 Oct 94)

The Toledo Phenomenon

Alejandro Toledo said the following in an interview he granted to LA REPUBLICA (27 Oct 94): "I believe that there is a very great yearning among the people in Peru today to identify an individual, a leader, with whom the internal Peru can identify, someone who comes from among their own. I head a group, Possible Nation, which was organized a year ago when I was still a professor at Harvard. This is a group of technocrats, of professionals in various disciplines. There are engineers, architects, doctors, teachers, and Peruvians who are involved with international bodies that have great weight and credibility in the United States, Europe, and Japan."

"The government plan has been established, it is said. But our plan lies with the regions and the communities. We want them to provide us with their observations through direct dialogue." He explained that he will promote investments, setting forth clear rules and "creating an atmosphere of stability and continuity in the policies and programs through the development of honest, modern, and democratic institutions. The creation of such an atmosphere will lead potential investors to plunge into the investment pool and create jobs. If the investments and the rules of the game are in the hands of a government official and not the institutions involved, there is a danger. It is dangerous to entrust the fate of the country to one individual, however capable he may be. Possible Nation is not attacking anyone. We are ridding ourselves of this germ that has so extensively infected Peruvian society. We are not attacking either Fujimori or Perez de Cuellar, or any other candidate. I want the voters to vote for us, not against Fujimori and not against any other candidate." [passage omitted]

12 Million Voters

According to a report published in EL COMERCIO (26 Oct 94), the voting population has doubled in the past 14 years, and it is expected that the total number of voters will reach 12 million by the next general elections scheduled for April 1995. In 1980, there were 6,485,680 voters. In 1985, 8,290,846 individuals were qualified to vote. And during the most recent electoral process, there were 9,923,062 individuals 18 years of age or older and qualified to vote.

Transparency Group

"Don't waste your vote." This will be the message summarizing the civic education campaign the Transparency Group is working to develop. The campaign is

designed to generate a broad mobilization of the citizens so as to achieve the highest possible percentage of voter turnout at the polls. The process must be carried out within the framework of the strictest liberty, clear legitimacy, and honesty, to which end plans call for close collaboration with the electoral authorities and the citizens. These explanations were provided by Father Felipe MacGregor, Alberto Giesecke, and Francisco Miro Quesada Cantuarias. Father MacGregor explained that Transparency does not want to play a supervisory role in the elections, but to educate the people so that when they go to the polls, they will make more conscientious choices. (EXPRESO 26 Oct 94)

Errors on Lists or Diskettes?

The weekly periodical CARETAS (No. 1335 27 Oct 94) reported that "the National Election Board (JNE) is continuing to receive a flood of appeals against the disqualification of the lists and signatures of a number of groups that have sought to participate in the electoral contests. And there is reason to think that some of the arguments have great weight. What explanation can there be for the fact that 48,000 of the Popular Force signatures and more than 70,000 of the Harmony Century XXI signatures were invalidated on the basis of errors made in transferring them to diskettes? The lists themselves are the material evidence, and the mistakes made cannot outweigh the signatures and the names if a comparison with the numbers on the voting booklets prove they were collected correctly. The JNE must prove whether or not the lists were compared with the diskettes, and if in fact probative value has been assigned to the lists. What is beyond doubt is that the JNE has not yet found an instructional and persuasive procedure for explaining how it is that 12 groups were disqualified, and it will have to work hard to respond to the appeals for reconsideration."

Official Registration of the UPP

On 26 October, the Union of the Peruvian People (UPP) was definitively inscribed in the JNE Register of Political Organizations, so that it is officially qualified to participate in the general elections next year. Also the disqualification alleged by the citizen Tito Ura Mendoza against Alberto Fujimori, the presidential candidate of the Change 90-New Majority Electoral Alliance, was declared without foundation. (Most dailies 27 Oct 94)

Position of the CGTP

On 25 October, the CGTP [General Confederation of Peruvian Workers] dismissed any possibility of supporting the candidacy of Alfonso Barrantes, it was announced by Teodilo Hernandez, the secretary general of that trade union. This position was adopted, he said because the problems within the group have not yet been overcome, although the IU [Independent Left] would be a natural alternative in the coming general elections. In addition, he said that the people surrounding Barrantes

Lingan are "characterized by their support of bossism and political protagonism." (GESTION 26 Oct 94)

Fujimori Accused by Diez Canseco

On 26 October, Raul Diez Canseco accused presidential candidate Alberto Fujimori of being the "destroyer of democracy in the past four years." At the same time, he dismissed the gain in the number of voters whose preference is Alejandro Toledo, because, he said, "I do not believe in polls." He charged that a very serious political blackmail effort is being made by the Army, with all of the local governments, the 53 provincial municipalities and the more than 400 districts with populist inclinations, in particular, as the targets. "If we do not close ranks around Fujimori, there is no hope. This is blackmail." With regard to the Repentance Law, Diez Canseco said that it is putting thousands of innocent people in jail, because an individual needs to denounce others in order to obtain his own release, and "there are many prisoners who do not have the economic resources to defend themselves." (Most dailies 27 Oct 94)

Ricardo Marquez: 'A Practical Proposal'

On 28 October, in making his first statements as a candidate for the first vice presidency on the government party slate, Ricardo Marquez assured his audience that the disagreement with President Fujimori about the mechanisms for creating jobs has been settled. As a result, he said, he believes that his suggestions will be heeded even under this government. However, he acknowledged that he still disagrees with the president on specific issues. Marquez announced the implementation of an integral development program for small and microbusinesses, and he also said that he will promote the forming of consortiums for export. With a view to discrediting the rumors of increasing differences among the candidates on the government party slate, the businessman Marquez indicated that he talks with the chief executive "every day. I have a direct relationship with him," he said. He described the presidential slate as one of "consensus," and he said that together with Cesar Paredes Canto and President Fujimori, "we will set forth a practical proposal for the real, and not the theoretical, Peru." (EL COMERCIO, GESTION 29 Oct 94)

A Different Situation Today

EXPRESO (1 Nov 94) reported that "Alejandro Toledo has in two weeks seen a gain of from two to seven points in Lima, according to Apoyo, and even more, according to the CPI. This spectacular rise has elevated him to third place, ranking above the candidates of the parties. But it is not a question of a 'neo-tsunami,' like what happened in 1990. This is true, first of all, because it has occurred long before the elections, rather than being a last minute flood. And secondly, because Toledo's sudden rise was made possible by broad media coverage, while Fujimori's rise occurred despite this factor. And, thirdly, there is a more basic reason. In 1990, Peru was on the brink of disintegration and chaos. Anything could

have happened, and in fact, it did. The situation is different today. The country has become more stable, and the future is easier to predict. The people want to safeguard what they have gained through great effort. They do not favor experiments. The candidates themselves know this. While in 1990, the watchword was 'the great change,' Toledo, for example, has based his hopes of winning votes on the 'girders' of Fujimori's policy. The candidates are offering continuity, not change. Very different."

Blocking Reelection

Commenting on the scope of the electoral contest that has already begun with the nomination of 15 candidates for the presidency of the Republic, Francisco Igartua (OIGA No. 715 31 Oct 94) said: "This is a massive rush to assume the responsibility for indicating a path to the nation—a long-term path characterized by institutional stability, as well as to resolve the political crisis arising from the decision to eliminate the Senate of the Republic and to allow presidential reelection. Because this is the central theme for contemplation that the coming elections impose upon us—a most serious kind of contemplation to which the excessive number of candidates does not contribute. What the country needs is a long-term program based on institutional stability under the rule of legality, of the law, consistent with the norms of the democratic system. And this scheme is what is threatened by presidential reelection in Peru. Military secrecy does not give stability to this long-term program. Nor is it provided by any individual, however wise he may be. This stability, as the Japanese businessmen who visit Peru have said, can only be achieved by a firm, independent institutional system carefully overseen by a proper parliament, with two chambers, one of them political, representing the provinces, and the other reflecting and representing the nation. Presidential reelection, which has led to eight authoritarian and despotic regimes that have eroded the institutions and centralized power, eliminating democratic supervision and administration decentralization, works against this long-term program. Putting an end to reelection, then, is the main task of those who want this country to continue along the path of the good things Fujimori's regime has achieved." [passage omitted]

Natural Resources Revenues

On 25 October, the Congress approved the amendment of Article 77 of the Constitution changing the method by which the royalties for the regions are calculated, based on the total income obtained by the state from the exploitation of natural resources. Thus the third paragraph of this article, according to which the royalties are to be determined on the basis of the income tax, was amended. The law that will guarantee a minimum royalty equivalent to the income received by the regions this year was also approved. The purpose of this law is to ensure that while the constitutional reform is being put into effect and a special organic law is being promulgated

on this issue, what the regions receive from this source will not be affected. The text of the law approved says that "the royalty to be paid in accordance with Article 77 of the Constitution will not, in any case, be less than the sum each district received in 1994." In another connection, the Congress unanimously approved the Organic Law on the National Teachers' Council. Cesar Fernandez Arce explained that the main innovation in the draft approved is the proposal—novel on both the domestic and international levels, that establishments such as vocational schools and universities be allowed to elect their future teachers. (LA REPUBLICA 26 Oct 94)

Alternative Development

With daily production of a ton per hour, Ucayali has begun to make the processing of oil palm products, as an alternative to the raising of coca, a reality. Minister of Agriculture Absalon Vasquez Villanueva emphasized that this product is "definitely a profitable and legal alternative to the production of coca in the Amazon region." He made this statement at the inauguration of the plant for the processing of palm products belonging to the Pampa SAIS [Social Interest Agricultural Association], a unit operating in the jungle area of the Tupac Amaru SAIS. With this plant in production, Ucayali has facilitated the exploitation of up to 1,700 hectares planted to oil palm trees in the region and now ready to go into production. (EL COMERCIO 30 Oct 94) [passage omitted]

\$14 Million From Development Bank

The IDB [Inter-American Development Bank] will underwrite shares in the approximate amount of \$US 14 million at the rate of US\$ 1 million for each of the 14 rural funds that currently have their capital completely paid up, Minister of Agriculture Absalon Vasquez has announced. "Although the exact amount the IDB might allocate to the rural funds has not been established, it might come to \$1 million for each of them. This would mean the addition of US \$14 million to the capital of these entities," he explained. The minister of agriculture turned over US\$ 382,000 to 20 peasant communities in the department of Ayacucho in connection with the profits generated through the partnership agreement for the industrial processing and marketing of vicuna fiber signed last July. (GESTION 28 Oct 94)

78 Million Soles From Foncodes

In October, the Foncodes [National Compensation and Social Development Fund] allocated 77,805,126 soles and 50 centimes to be used to carry out 757 development projects of various kinds designed to combat poverty in 13 of the country's regions. The regions in question are Arequipa (22 projects), Andres Avelino Caceres (77), Ancash (82), Grau (71), Inca (124), La Libertad (34), Lima (48), Loreto (34), and Jose Carlos Mariategui (32). Other projects are in the northeastern region of Marañon (135 projects), San Martin (24), Ucayali (11), Libertadores-Wari (62), and one is multidepartmental (one). (EL PERUANO, 31 Oct 94) [passage omitted]

Health Sector on Strike

On 26 October, Minister of Health Eduardo Yong Motta urged the workers in his sector, who had called a strike, to abandon this method of pressure and go back to their work in order to make the resolution of their claims through direct negotiation possible. He announced the establishment of a high-level commission to consider and resolve the petitions of the employees in the branch. The commission will be made up of representatives of the Ministries of Economy and Health, the budget committee of the CCD [Democratic Constituent Congress], and the INAP [National Institute of Public Administration]. In another connection, he announced that more than 3,200 health centers and medical stations nationwide will be equipped with basic medicines and the most essential surgical instruments beginning next year. To achieve this, he explained, basic social expenditures will be increased and channeled to these health centers. "Next year, we will have a budget almost triple that for 1994. There has been an increase from 454 million soles to about 1.276 billion," he said. (EXPRESO 27 Oct 94)

More Street Demonstrations

On 27 October, Lima experienced one of its worst days of labor agitation when pensioners and retired persons, university teachers, and municipal, education, and health sector workers marched through the streets to show their support of a series of wage demands. During the five demonstrations, the police arrested about 50 people. Efraim Corrales, the director of the Peruvian National Retired Persons' and Pensioners' Union, accused the government of planning to reduce the 800 million soles its members received this year to only 200 million next year. "There are 60,000 of us nationally, and we are prepared for anything. We will not allow them to starve us to death beginning in January," he said. In another part of the capital, university teachers marched along Nicolas de Pierola Avenue toward the Congress, but they were dispersed. Alberto Buitron, secretary general of the Villarreal University Teachers' Union, asserted that the national strike will continue indefinitely, until the university teachers' pay has been adjusted to match that of the court judges, in accordance with Article 531 of Law 23733.

Olmedo Auris, the director of the Sutep [Trade Union of Education Workers], said for his part that its members will demand the immediate assignment of the 60,000 teachers hired on the national level. "We have scheduled a national strike for 8 and 10 November," he said. (EXPRESO 28 Oct 94) [passage omitted]

Shantytown Leaders Arrested

Military and police patrols forced their way into a number of homes in the Comas slum area. They arrested 10 former community leaders, who were taken without further explanation from their homes to the Dincote [Counterterrorism Directorate]. None of the civilians arrested has a police record. They are men and women

who were members of the leadership council of the 9 September settlement. Those arrested were Ricardo Aponte Guardia, Flor Borja Cardenas, Juan Durand, Pablo Lavallo, Pedro Gastelumendi Minchan, Adrian Polanco, Abraham Huertas, Pablo Medina, and Victoria Borja Cardenas. The first individual mentioned is an elderly man who was dismissed from the Air Force, and the last individual on the list is a teacher at the PRONOI primary school facility located in that same community. (LA REPUBLICA 29 Oct 94) [passage omitted]

Journalist Sentenced

In a major violation of the principle of freedom of the press, the Third Criminal Branch of the Junin Superior Court gave Clemente Quincho Panez, the LA REPUBLICA correspondent in La Oroya, a suspended sentence of one year in prison and ordered him to pay 5,000 new soles to two CENTROMINPERU [Central Peru Mining Enterprise] officials as civil compensation for the wrongs they allegedly suffered. On the basis of the valid evidence provided by PNP [Peruvian National Police] Lieutenant Juan Gavino Mercado, Clemente Quincho reported on the serious crimes committed by the two high-ranking CENTROMINPERU officials. The general manager of operations, Jose Tulio Carrascal, and his political cousin, Mario Osorio, the director of internal security at that establishment, were accused of being responsible for the theft of a substantial tonnage of ammonium nitrate of the ANFO type valued at several thousand dollars. (LA REPUBLICA 31 Oct 94) [passage omitted]

Armed Forces Chief Has President's 'Full Support'

On 25 October, President Fujimori said that General Nicolas Hermoza Rios will continue to head the Armed Forces. He said that the year-end promotions to be made within the upper ranks of the Armed Forces will not mean the retirement of Nicolas de Bari Hermoza Rios. "General Hermoza Rios has my full support, because it is he who is personally directing the battle against subversion, and it is his mission to eliminate the last terrorist bastions still remaining in Ene, Apurimac, and Tambo. It is necessary to continue, rather than to abandon, the pacification program," he explained. (Most dailies 26 Oct 94)

Repentance Law Discussed

Francisco Diez Canseco, the president of the Council for Peace, stated that the Repentance Law should not be repealed, but should instead be amended and updated in order to ensure the pacification of the country. In addition, he said that out of all of the subversives who have had recourse to this norm, very few have obtained the benefits thereof. The Council for Peace urges the elimination of the benefits of exemption and pardon. However, he believes the benefit of reduced sentences should be retained for individuals involved in terrorist crimes who repent without having been involved in a criminal trial, or even while they are under court investigation. Also, he urges that a series of mechanisms be

established to guarantee that no unjust arrests are made as a result of false information provided by alleged "repentants." (GESTION 29 Oct 94)

Retention of Law Termed Desirable

Carlos Tapia has said that "there has been a mistaken tendency to emphasize the number of those who have repented (the official figure is in excess of 5,000) while the Senderist files seized in connection with the capture of Abimael Guzman indicated that there were only 2,700 party members. And two years ago, President Fujimori stated that the number of terrorists at liberty was approximately 1,000. The vast majority of those who have repented are simple peasants or settlers who found themselves forced or compelled to carry out certain functions in the zone where the Senderists had established their 'new regime.' As a result, there have been cases in which entire communities and the settlers in a rural district, led by their mayor, have gone to the authorities to 'repent.' The success achieved should be measured by the quality of the information obtained, rather than by the number of 'repentants.' Regrettably, improper application of the law has made it possible for hundreds of innocent persons to be unjustly accused of being subversives, and also for the charges made by repentant terrorists to be used as proof to prevent notorious cases relating to the drug traffic (the Vatican case, for example) from being tried in the courts of law. But in view of the fact that the terrorists will most certainly continue to be active after 11 November (even if to a lesser extent), would it not be desirable to retain the law that has produced such excellent results, while correcting the shortcomings in its application?" (LA REPUBLICA 30 Oct 94)

Antiterrorist War Termed Lengthy Process

Mirko Lauer has said that "suddenly, the country has become full of 'repentants'—so many that it is impossible to distinguish all of their faces. One has the impression that they are supernumeraries in a project we have not yet succeeded in understanding completely. The central idea is that these 5,000 prodigal citizens were forced, willingly or unwillingly, to become participants in the armed struggle. A Shining Path in crisis has lost them, but it is not clear who has won these individuals over politically. There is a government 'repentance' scenario, and it has to do with Alberto Fujimori's promise to ensure the disappearance of the Shining Path by 1995, and with the representation of his political partner, Nicolas Hermoza, as the 'victorious general' who would be the sole embodiment of the 14 years of antisubversive struggle. The appearance the government officials are trying to create is that the 'repentants' belong to them. This is the symbolic meaning of having them march, undisguised and for all to see, in the military parade last July. The 'repentants' are becoming a part of military life rather than the democratic process. This is also the image sought through the treatment being given the peasants' rural self-defense patrols in many of the news media. The benefits of secrecy or new identities make a

great deal of sense where the actual cadres of the Shining Path are concerned. But when it comes to entire populations, it is a completely different matter. What is most probable is that they will simply have to join immediately in the continuing struggle against the Shining Path in their areas. The war against the Shining Path is a process that will be lengthy. It will continue, in various forms, for a long time yet. It would be fatal if the rest of the people of Peru were to come to regard this struggle—either its triumph or its impoverishment—as their own." (LA REPUBLICA 1 Nov 94) [passage omitted]

Huanuco Tops Repentance List

The city of Huanuco is in the judicial district with the largest number of "repentants" (approximately 60 percent of the national total), Carlos Blanco Oropeza, the president of the Human Rights Commission of the Democratic Constituent Congress, announced. (EL PERUANO 26 Oct 94) [passage omitted]

Uruguay

Sanguinetti, Vazquez Hold 'Harsh' TV Debate

PY1011230894 Buenos Aires TELAM in Spanish 1956 GMT 9 Nov 94

[FBIS Translated Text] Montevideo, 9 Nov (TELAM-SNI)—Colorado Party presidential candidate Julio Maria Sanguinetti, a former president, and Broad Front candidate Tabare Vazquez were involved in a harsh and aggressive televised debate in which there were no proposals, but plenty of action.

The one and a half hour controversy involved two of the three Uruguayan candidates who could win the 27 November presidential elections. State University Rector Jorge Brovetto acted as moderator, to the dismay of Uruguayan journalists.

Tabare Vazquez, a former Socialist mayor of Montevideo, opened the debate by charging Sanguinetti with having had the "privileged" use of "financial capital to the detriment of Uruguay's productive sector" during his administration (1985-1990). Sanguinetti retorted that "today we are face-to-face with a very different Dr. Vazquez from the calm and gentle person we are accustomed to see."

On several occasions Sanguinetti accused Vazquez and his party, the Broad Front, with being "Marxists." He stressed that "in an open world like now, one cannot view reality from the viewpoint of Marxist doctrine."

The Colorado Party presidential candidate said the secretary general of the Uruguayan Socialist Party—of which Vazquez is a card-carrying member—expressed his conviction that "the current world trend is toward the elimination of private property and the exploitation of men by men."

Sanguinetti stated that "Marxism is a real concern" for "all Uruguayans."

Countering this remark, Vazquez said neither he nor the Broad Front have ever defined themselves as Marxist and labeled Sanguinetti's attempt to identify him with Marxism as "an obsessive attitude typical of bygone days."

The presidential candidate of the leftist coalition, which comprises Communists, Socialists, and Tupamaros, contends that Sanguinetti and his political group propose "a model like the one put forward by the Broad Front."

Vazquez said this model foresees a "productive and exporting" country. He recalled that "Dr. Sanguinetti was head of state five years ago," and ironically asked: "Why did he not do all this then?"

Sanguinetti, who at times tried to steer the discussion toward a political and philosophical plane, insisted that the "Marxist interpretation of society has been defeated by society itself," underlying that Vazquez "insists on the Marxist model and on (V.I.) Lenin's principles."

Changing the subject, Vazquez highlighted his accomplishments as Montevideo mayor and boasted that he left office with the support of 42 percent of Montevideo-dwellers.

Sanguinetti then recalled the violent episodes surrounding the extradition of three alleged ETA (Basque Fatherland and Liberty) members—who lived in Uruguay—to Spain last 24 August, which left in their wake two deaths and 100 injured as a result of the clashes between security forces and radical Broad Front groups.

The former president said: "This is not just a confrontation between two people, rather between two different ways of seeing the world, two ways of seeing reality, and two ways of seeing the country."

Neither Sanguinetti nor Vazquez criticized, or even really referred to, the Nationalist administration of President Luis Alberto Lacalle. They spent most of the time exchanging accusations and vindicating their respective administrations at national and departmental level.

According to a telephone survey by the pro-government Montevideo newspaper EL PAIS following the debate, 40 percent of those polled said Vazquez "did better" while 35 percent believed Sanguinetti "fared better" than Vazquez.

Venezuelan Foreign Minister Arrives on Visit

PY1011015594 Madrid EFE in Spanish 2243 GMT 9 Nov 94

[FBIS Translated Excerpt] Montevideo, 9 Nov (EFE) — Venezuelan Foreign Minister Miguel Angel Burelli Rivas arrived on 9 November in Montevideo on an official visit.

On 11 November he will sign a memorandum of understanding between his country and Uruguay. [passage omitted]

Discusses Integration

PY1111225094 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2252 GMT 10 Nov 94

[FBIS Translated Text] Montevideo, 10 Nov (AFP-NA)—Venezuelan Foreign Minister Miguel Angel Burelli said on 10 November—the second day of his official visit to Uruguay—that Venezuela is not negotiating the creation of a free trade zone with the Common Market of the South (Mercosur).

"I did not come to Montevideo to negotiate Venezuela's possible entry into Mercosur," Burelli said after his speech at the headquarters of the Latin American Integration Association (ALADI).

Burelli added that "Venezuela and Colombia are studying an invitation made by Brazil in that direction, but we must consider the fact that we are members of other integration projects (Andean Pact and Group of Three) before negotiating or accepting links with other regional commercial blocs."

The Venezuelan foreign minister also said that he submitted to ALADI "an initiative by President Rafael Caldera to create—through regional organizations—a commitment on energy supply to assure Venezuela's supply of oil to the entire hemisphere."

This step will "eliminate the inconvenience" facing various Latin American countries which today purchase their oil "in areas far away and in conflict," Burelli said in a clear reference to Middle East and African markets.

Burelli met with President Luis Alberto Lacalle "to analyze the two countries bilateral relations" and announced that on 11 November he will sign two "agreements with Uruguay: one agreement contemplates the two countries' cooperation in training diplomats, and another creates a joint consultation and coordination mechanism in matters that are of interest to both governments."

The Venezuelan foreign minister will return to Caracas after giving a lecture to Uruguayan foreign service teachers and students on "The future of democracy in Latin America." The lecture is also scheduled for 11 November.

Venezuela

Minister on U.S. Ban of Reformulated Gasoline

PA1111013894 Caracas EL GLOBO in Spanish 9 Nov 94 p 11

[Report by Orlando Ascanio H.—all quotation marks as published]

[FBIS Translated Text] Energy and Mines Minister Edwin Arrieta admitted today that Venezuela should have been more aggressive in countering the U.S. Government's ban on imports of Venezuelan reformulated gasoline.

Along these same lines, he noted that his ministry had received a study prepared by experts "in which we were advised that, in effect, we were not aggressive enough in terms of planning."

Nevertheless, he explained that the nation has a good "list" of possible customers who need our fuel.

With regard to IMF recommendations that revenues obtained from higher gasoline prices should go to the National Treasury, he said:

I would like to explain that the alternative energy project for the transportation sector has not received any guidelines from any international organization. He noted that this is a sovereign decision of the Venezuelan state to devise a plan to provide a higher quality of life for Venezuelans through means we have decided on—namely, gasoline and natural gas.

He also stressed: "The plan we are formulating at the Energy and Mines Ministry does not include any tax. The plan is specifically intended to strengthen the quality of life of those who use public transportation—who, by the way, comprise a majority."

With regard to Humberto Caleron Berti's proposal to sell petroleum on the future's market, he indicated: "It is an interesting proposal. We are studying its various legal, technical, and related aspects."

He continued: Now we have made the intelligent decision to ease the debt burden, although future generations will likely criticize us anyway. In the coming years, we will use the oil found in deposits along the Orinoco petroleum belt to resolve the problems we have.

When questioned on how much gasoline prices would increase under alternative energy program, he replied: "It would be inappropriate for me to give you a figure."

He added: The focus on a target is exactly what I reject outright, because we do not want to cause concern among the people who are always fearful of another 27 February. The truth is that this is a much better plan for the transportation sector. It includes six programs, whose goal is to bolster the utilization of fuels to provide Venezuelans with a better quality of life, he noted.

In conclusion, he said: "I do not want to dip my hands in the pockets of Venezuelans. Someone else can do that. For this, however, we must present a plan that includes a series of alternative energy programs."

Foreign Minister's Visit to Paraguay, Uruguay Reviewed

PA1311195494 Caracas EL UNIVERSAL in Spanish 11 Nov 94 p 1 - 14

[Report by Antonio Fernandez Nays]

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[FBIS Translated Text] Venezuelan Foreign Minister Miguel Angel Burelli Rivas today wraps up his official visits to Uruguay and Paraguay, which lasted one week. The purpose of his trip was to review the possibilities of establishing a South American Free Trade Agreement [Acuerdo de Libre Comercio Suramericano—ALCSA] and analyze the stance the area countries will adopt at the hemispheric meeting to be held in Miami.

The foreign minister had a busy work schedule in Paraguay. Among the bilateral topics he and President Juan Carlos Wasmosy and his counterpart Luis Ramirez Boettner broached were the revision of the permanent mechanisms for consultation and political consensus. They agreed to vitalize bilateral relations, taking advantage of the instruments that have not been employed until now.

As for the Summit of the Americas, to be held in Miami at the invitation of President Bill Clinton, the Paraguayan and Venezuelan Governments agreed to coordinate an agenda that underscores the views by Venezuelan President Rafael Caldera on fighting corruption at the international level, as well as on everything related to the social field, integration of energy, and free trade in the region.

Foreign Minister Burelli Rivas stressed the importance of creating mechanisms that tend to draw MERCOSUR [Common Market of the South] closer to other countries that did not sign said agreement, such as Venezuela, for the purpose of establishing the legal basis that will allow the creation of a South American Free Trade Agreement.

In this respect, the Governments of Venezuela and Paraguay agreed to a foreign ministers' meeting in Argentina in January with the goal of making progress in the work related to ALCSA. The negotiations would be held between MERCOSUR, as a bloc, and each of the countries that may wish to join this mechanism for cooperation and international exchange.

On another matter, the Venezuelan official reviewed in Paraguay some of the future bilateral agreements that they wish to bring to fruition, including the possibility that Paraguay's Cement Enterprise may become a client of Venezuelan oil emulsion [fuel emulsified with water].

In addition, the two countries announced in a joint declaration that they will create a cultural Venezuelan-Paraguayan commission to study ways to increase the number of flights between the two countries.

The Venezuelan official had a similar program in Uruguay. He analyzed with President Luis Alberto Lacalle and his Foreign Minister Sergio Abreu the agenda for the hemispheric summit, underscoring the four main points: war on corruption, energy integration, a South American commercial joint strategy, and compensation programs to solve the social problems stemming from the economic opening.

The two countries signed a memorandum of understanding, creating the Venezuelan-Uruguayan Mechanism for Political Consultation that will be tasked with

expanding and diversifying bilateral relations on matters of the economy and mutual cooperation.

Emergency Board Decides To Intervene in 16 Firms

PA1111013794 Caracas EL UNIVERSAL in Spanish
8 Nov 94 p 2-1

[FBIS Translated Text] Continuing the government's intervention of 200 companies, the Emergency Finance Board [JEF] decided yesterday to apply the measure to 16 additional companies.

These companies are associated with the Barinas and the Construcción financial groups, which have already been intervened and whose liquidation is expected to begin in a few weeks. The decisions were taken based on reports presented by the legal consultant office of the Board of Bank Examiners.

The 14 companies linked with Banco Barinas are:

- Inversiones Giga, C.A.
- Inversiones Bake Eder, C.A.
- Inversiones Elbruz, C.A.
- Inversiones Ederly, C.A.
- Inversiones Croix, C.A.
- Representaciones Accesit, C.A.
- Publicorca 2000, C.A.
- Promociones Lepidosirena, C.A.
- Contratistas Morivivi, C.A.
- Promociones Tayu, C.A.
- Promociones Telera, C.A.
- Promociones Tatara, C.A.
- Administración Tatara, C.A.
- Promociones Avantren, C.A.

The companies that were intervened yesterday, associated with the Construcción group, are:

- Inversiones Rumualda, C.A.
- Hangares 12, C.A.

A JEF communique reiterates "only those companies that are already known by the public, particularly those that have been intervened or are under government control, have resorted to the financial aid mechanisms. The JEF is permanently evaluating and following up on the country's banking situation in keeping with responsibilities and competence attributed to it."

The communique refers to the financial groups intervened: Barinas, Construcción, Bancor, Maracaibo, Metropolitano, La Guaira, Amazonas, Fiveca, and, according to official information, the nationalized groups Venezuela and Consolidado.

The communique added with the judgment that the "JEF decisions are aimed at overcoming the system's solvency problem, promoting the capitalization of the banking system, and protecting the rights of depositors and savers."

Minister: Executive Must Revise Interest Rate Differential*PA1011215894 Caracas REPORTE DE LA ECONOMIA in Spanish 8 Nov 94 p 4*

[Report by Aida Faria]

[FBIS Translated Text] Finance Minister Julio Sosa Rodriguez said yesterday the executive branch must carefully revise the differential between active and passive interest rates.

The statement was made at Miraflores Palace when he was asked about the imminent collapse of at least six financial organizations, which are facing solvency problems and receiving aid from the Deposit Guarantee and Banking Protection Fund (Fogade), if the existing differential rate is not liberated.

Referring to this issue, Sosa Rodriguez said he does not believe there will be another crisis in the financial system. He also said that he met with the Financial Emergency Board (JEF) yesterday and that no proposal was submitted in this regard.

Nevertheless, he said these opinions "might be the result of pressure exerted by people who want a higher differential between the active and passive interest rates."

Nevertheless, he admitted "it would be necessary to study this issue carefully, because I believe 25 points (the current differential established by the government) is quite high."

Moreover, when asked whether Venezuela will have clients interested in buying oil in the futures market, Sosa said yes, adding there might be something specific on this issue during the first quarter of 1995. Referring to another topic, meaning the commission which will be created to follow up multilateral loans, he said its main goal will be "to guarantee that these loans are properly used, to avoid paying commissions on loans that are not used."

Finance Minister: Fuel Price Increase 'Moderate'*PA1011200894 Caracas Union Radio Network in Spanish 2200 GMT 9 Nov 94*

[Report by Cecilia Pachano from Miraflores Palace; from the "Union Radio News" newscast]

[FBIS Translated Text] Finance Minister Julio Sosa Rodriguez has asserted that the increase in gasoline prices will be moderate. Julio Sosa Rodriguez considers unavoidable an increase in gasoline prices next year but he assured that, aside from being moderate, it will not affect public transportation and it will be complemented by an increase in the transportation bonus.

[Begin Sosa recording, broadcast in progress] ...be the exact amount. I sincerely think that, if this is carried out, there will be a difference between the high octane and low octane fuel price. The most expensive vehicles

normally use high octane fuel so that type of gasoline should be subject to a bigger increase than the low octane fuel, which is the one used by units that will be exempt from any increase and that are somewhat old and in the possession of persons who lack major resources. [end recording]

Regarding the possibility of freezing the increase and keeping the banking interest tax, he insisted that, according to the law, the tax is in effect only until 31 December. He said no decision has been adopted yet regarding the destination of this increase in gasoline prices. He predicted that the funds will probably go to Venezuelan Petroleum, and then to the state, through the taxes that the oil company pays the nation.

Minister Sosa Rodriguez hopes the decision will not provoke a social outbreak because, in his opinion, this benefits no one.

Deputies Approve Reform to Financial Emergency Law*PA1311163994 Caracas Union Radio Network in Spanish 2200 GMT 10 Nov 94*

[Report by Cecilia Cayone; from the "Union Radio News" newscast]

[FBIS Translated Text] The Chamber of Deputies has approved unanimously the proposal of Democratic Action [AD] to reform the Financial Emergency Law. The reform is reportedly aimed at controlling the processes of regulation and expropriation conducted by the Attorney General's Office.

MAS [Movement Toward Socialism] Deputy Omar Barboza indicated that his proposal requesting the Congressional Comptroller's Commission to investigate and follow up on the processes was also approved.

Regarding the contents of the new article of the Financial Emergency Law, Omar Barboza said the most important thing is to establish norms making the aforesaid processes clear.

[Begin Barboza recording] We must also seek ways so that those buying expropriated properties do not face future risks. We want to make sure there will not be legal loopholes that may adversely affect the state when it purchases some properties resulting from expropriation processes, like just happened with the [word indistinct] Caracas—in this case there was no problem because it was purchased following a mortgage liquidation. [end recording]

Deputy Barboza noted the discussion of this new chapter will begin Monday during the meeting of the legislative commission.

Minister Denies Considering PDVSA Privatization*PA1311223794 Madrid EFE in Spanish 0104 GMT 13 Nov 94*

[FBIS Translated Text] Caracas, 12 Nov (EFE)—The Venezuelan Government has neither thought about nor

considered the privatization of Venezuelan Petroleum, Inc. (PDVSA) to strengthen this state-owned industry, Energy and Mines Minister Erwin Arrieta said today.

"The privatization of PDVSA and its affiliates, in any form, is not among the possibilities that have been contemplated. This option has not been nor will it be considered by this administration," Arrieta stated at the close of the Venezuelan Congress of Petroleum, which lasted all week.

"We have discussed the possibility of opening all activities of the petroleum industry to private capital, foreign or domestic, to different forms of association," Arrieta explained.

Arrieta asserted that PDVSA is studying different formulas to allow the participation of private capital in the

exploration and exploitation of light and medium crude oils, as well as the possibility of reaching "shared profit contracts," which will be submitted to the legislature for approval.

"It think this clarification is necessary because the issue of the privatization of state-owned strategic industries was repeatedly addressed during this congress with the understanding that privatization is one thing, and an association to bolster the national petroleum industry is something else," the Venezuelan minister stated.

Venezuela is a founding member of OPEC, and its sales of crude oil account for 90 percent of its exports and 80 percent of the Venezuelan budget.

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